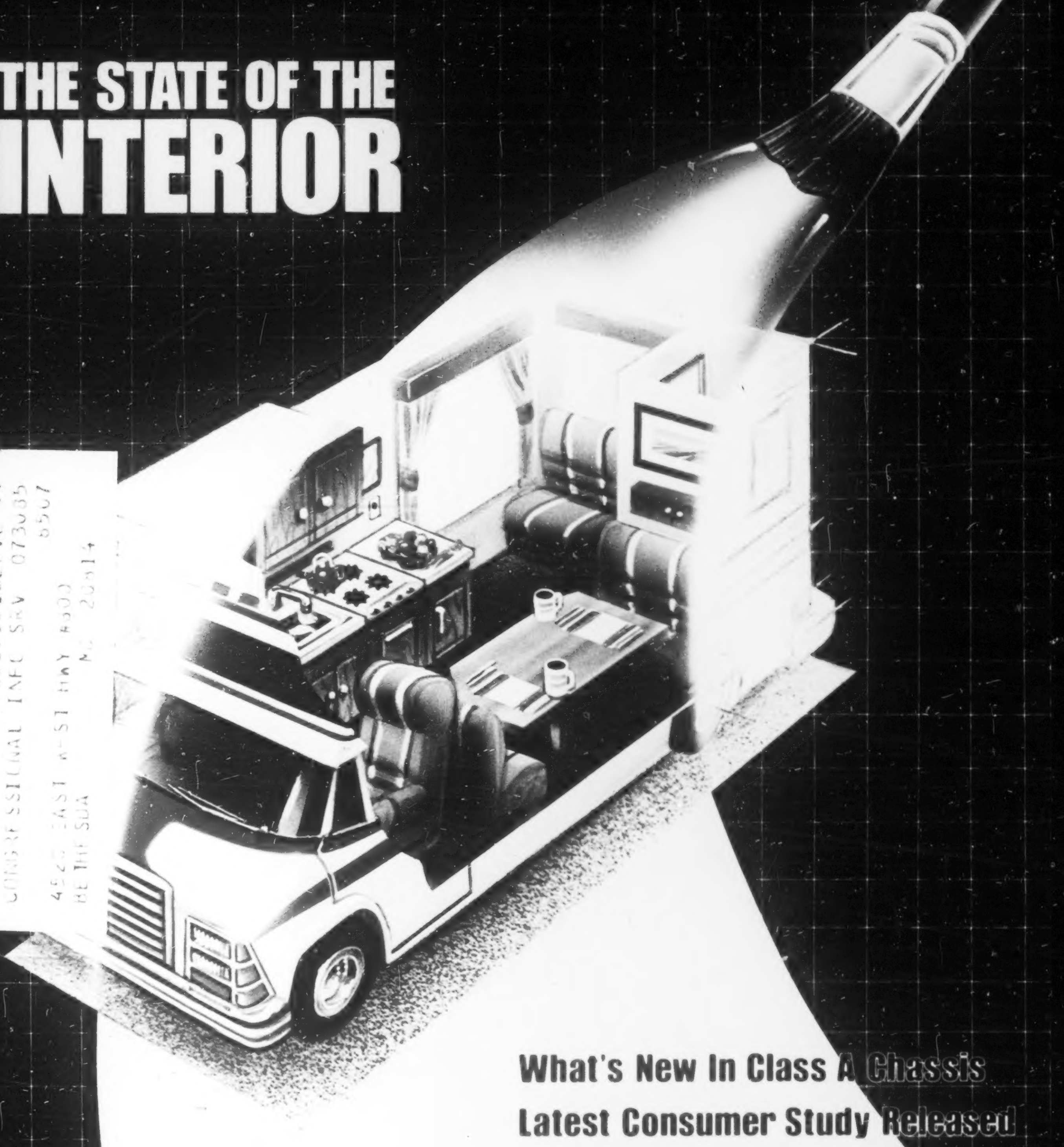
RV BUSINESS

NOVEMBER 198 $2.00

THE STATE OF THE INTERIOR



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What's New In Class A Chassis

Latest Consumer Study Released

Are Japanese RVs On The Way?

Special Louisville Show Preview

RV BUSINESS

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ON THE COVER: Color—as our cover illustration demonstrates—framework, texture, component arrangement and line are integral parts of RV design. The coordination of industry and consumers has its own design, too. So, these things and more are included in this issue to help you in designing your RV business. Illustration: Kevin Aguilar.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	AUG '85	AUG '84	% CHANGE	1985	1984	% CHANGE	AUG '85	AUG '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	124	132	− 6%	980	974	+ 1	95	95	0%	472	787	− 6%
TRAVEL TRAILERS	99	77	+29%	782	835	− 6%	107	103	+ 4%	696	771	−10%
TRUCK CAMPERS	22	13	+69%	164	150	+ 9%	14	14	0%	112	164	−32%
CAMPING TRAILERS	163	145	+12%	1,384	1,410	− 2%	51	43	+19%	329	262	+26%
FIFTH-WHEELS	29	29	0%	242	292	−17%	8	11	+27%	76	81	− 6%

	FOR MONTH			YEAR-TO-DATE		
	AUG '85	AUG '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$9,978,352	$9,755,296	+ 2%	$76,[illegible]4,726	$74,198,702	+3%
TOTAL UNIT SALES	712	662	+ 8%	5,471	5,726	−4%
NEW UNIT SALES	437	396	+10%	3,516	3,661	−4%
USED UNIT SALES	275	266	+ 3%	5,471	5,726	−4%

The modest retail sales upturn that began a couple of months ago continued through August. Dealers on RVB's Dealer Advisory Board (DAB) took in more dollars and delivered more units than they did in the corresponding month last year. Gains were small but, in a year that could well have been a big loser, any gain is significant.

Not everyone is sharing equally in the RV pie. Thirteen of the DAB dealers are up for the year-to-date, four are slightly down and six are biting the bullet. Due to improved management techniques, however, some of those dealers who aren't taking in as many dollars as they did last year are still doing very well in terms of bottom line. Conversely, not all dealers are putting more in their pockets just because their dollar sales volume is higher.

Some dealers are complaining that grosses have fallen drastically, generally due to strong competition. Probably, as much as anything, the fact that it's clean-up time for the '85 models accounts for weaker profits. Due to a drop in sales last fall and winter, many dealers carried over more inventory than they wished. Many will go into this off-season lean and mean.

Although more dollars have been taken in by the DAB dealers this year than last, both new and used unit sales are slightly behind '85. New motorhomes and truck campers are up, but all towable RV types are down. In used units, only camping trailers are in the plus column for the year-to-date.

Perhaps more than usual, RV dealers represents a mixed bag this time. It isn't uncommon to hear one complaining that the year has been a disaster. But, in general, the dealer body is in good shape.

MOTORHOMES

There was a slight drop in new-unit deliveries in August. A couple of the larger DAB motorhome specialists dipped rather drastically, but several had nice increases. The general pattern is that more of the larger specialists are down from the previous year while some of the larger multi-type dealers have come on quite strong. The fact is that some of the trailer specialists who have had declining sales in that type have beefed up motorized inventory and are pressing for sales. Profits were generally rated good by most dealers.

TRAVEL TRAILERS

After a very long spell of declining sales of new travel trailers, August proved to be an exception. New-unit sales shot up 29 percent—by far the best month in a long time. One month doesn't constitute a trend, but there's reason for trailer dealers to be more optimistic. Used sales were up slightly. Profits were generally rated good.

TRUCK CAMPERS

The tremendous percentage increase in new-unit sales in August reflects a great month for the DAB camper specialist. Four other DAB dealers who stock this RV type did not do as well. During August, used units moved better than they have been moving. Although the figure is the same as for last August, that represents a considerable improvement over the year-to-date tally.

FOLDING TRAILERS

Thanks to end-of-summer clean-up sales, new fold-downs moved well during August and showed a nice increase over the corresponding month in '85. It is possible that the 2 percent deficit for the year-to-date will be eliminated by the end of the year. Used camping trailers picked up, too. The year-to-date record is the best of any type for used units. As might be expected at this time of the year, profits were rated only fair or good.

FIFTH WHEELS

After running behind last year's figures every month this year, fifth-wheels finally tied an '84 month. One of the two DAB specialists beat his number of last August, but the other fell way behind. Several dealers showed significant increases. Profits were rated mixed. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

Associations

OLGA MARKOWITZ

Cracker barrel sessions and educational seminars will be offered at the **National Campground Owners Association**'s (NCOA) annual convention, November 6-9, at the Galt House in Louisville, Kentucky

Another autumn convention is in the air. The **Association of Illinois Rural Recreational Enterprises** (AIRRE) is scheduled for November 1-3 at the Holiday Inn, Holidome, in East Peoria, Illinois.

The **Texas Recreational Vehicle Association** (TRVA) is gearing up for its Southwest Super Show XI drawing, which will be held at the Grenelefe Hotel in Dallas, December 11. Registration for the drawing will be from 10 A.M. to noon, with the actual drawing taking place at 1 P.M. The Southwest Super Show itself is scheduled for March 5-9, 1986.

The **Aluminum Association** is offering the *Aluminum Statistical Review*, a 64-page statistical yearbook that contains statistical data on the aluminum industry for 1984. It is divided into five major sections: aluminum shipments, markets, supply, U.S. foreign trade statistics and world aluminum statistics. Copies are available for $25 each from the Aluminum Association, Publications Department, 818 Connecticut Avenue, N.W. Washington, D.C. 20006

A HISTORY OF THE RV INDUSTRY

Although the U.S. industry began in the 1930s as an outgrowth of the mobile home industry, it was the early 1960s before RVs became extremely popular in this country. The industry hit the billion-dollar-a-year status in 1969.

	Year	**Unit Shipments (In Thousands)**	**% Change From Prior Year (All Type)**	**Retail $ Value (In Billions)**
	1969	400.6	+20.3	$1.043
	1970	380.3	− 5.1	1.122
	1971	451.0	+18.6	1.597
	1972	582.9	+29.2	2.365
Oil	1973	528.8	− 9.3	2.322
Embargo	1974	295.8	−44.1	1.392
	1975	339.6	+14.8	2.320
	1976	541.1	+59.4	4.284
	1977	533.9	− 1.3	5.327
	1978	526.3	− 1.4	5.683
Gas &	1979	307.7	−41.5	3.581
Credit	1980	181.4	−41.0	1.951
Crunch	1981	239.1	+32.0	2.775
	1982	258.0	+ 8.0	3.505
	1983	358.0	+39.0	6.324
	1984	398.2	+11.2	7.733
	1985	201.1	−10.3	
		(through June)		

Source: Recreation Vehicle Industry Association

RVIA, AUGUST

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during August 1985 was 27,500 units, down 15.6% from August 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in August 1985		August 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	3,800	4,700	− 19.1%	41,400	51,400	− 19.5%
PARK MODELS	500	500	0%	4,900	4,800	+ 2.1%
FIFTH-WHEELS	1,600	1,400	+ 14.3%	14,300	14,000	+ 2.1%
TRUCK CAMPERS	600	600	0%	5,200	6,100	− 14.8%
MULTI-USE VEHICLES	12,000	14,900	− 19.5%	115,600	122,500	− 5.6%
TYPE A: MOTOR-HOMES	2,900	4,100	− 29.3%	24,200	29,600	− 18.2%
TYPE B: VAN CAMPERS	400	300	+ 33.3%	5,200	5,200	0%
TYPE C: MINI MOTOR-HOMES	2,500	2,500	0%	21,400	25,200	− 15.1%
FOLDING CAMPING TRAILERS	3,200	3,600	− 11.1%	26,300	29,400	− 10.5%
TOTALS	27,500	32,600	− 15.6%	258,500	288,200	− 10.3%

NEW INSIGHTS INTO THE RV MARKET

RV consumer trends shown in current RVIA/University of Michigan study

RICHARD T. CURTIN, Ph.D.

Who are the purchasers of today's recreational vehicles? Do they match in age, income and geographical location with RV buyers of the past few years?

How much of the potential RV market is made up of current owners, and how much is dependent on attracting first-time buyers to the RV way of life?

What is the current RV ownership rate, and what is the prevailing attitude about RVs among the American public?

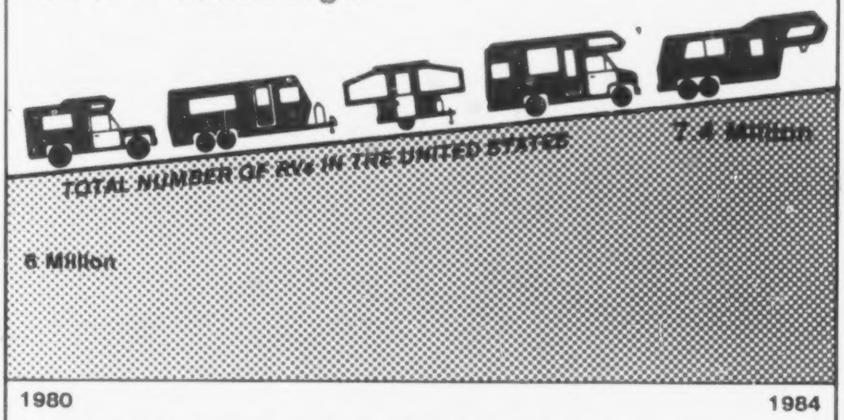
How does the future look for the RV lifestyle in America?

These important questions should be asked by RV manufacturers and dealers on a regular basis. The answers will help them develop and direct the marketing and advertising strategies of their own companies.

The Survey Research Center of the University of Michigan investigated these and many more questions on consumer attitudes toward RVs by conducting a survey on the subject in 1984. The survey was done at the request of the Recreation Vehicle Industry Association (RVIA), for which the center has done similar surveys in 1980 and in 1982.

The new study was designed to update findings from this earlier research. Our research staff wanted to see how the RV consumer is reacting to the eco-

RV Ownership Up 22% Over 4 Years Ago

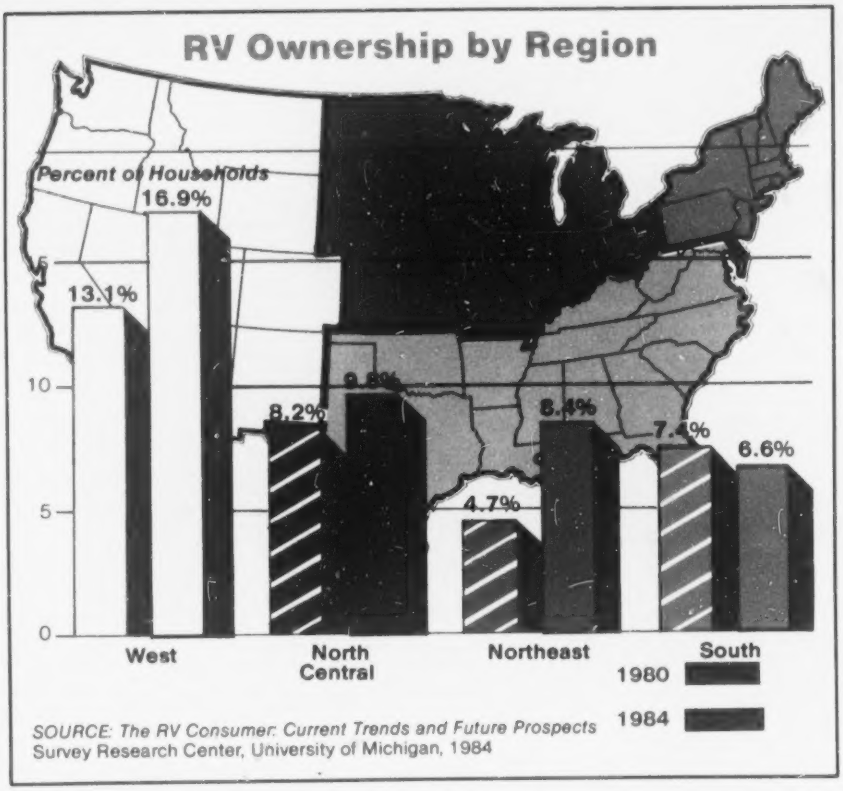


SOURCE: The RV Consumer: Current Trends and Future Prospects
Survey Research Center, University of Michigan, 1984

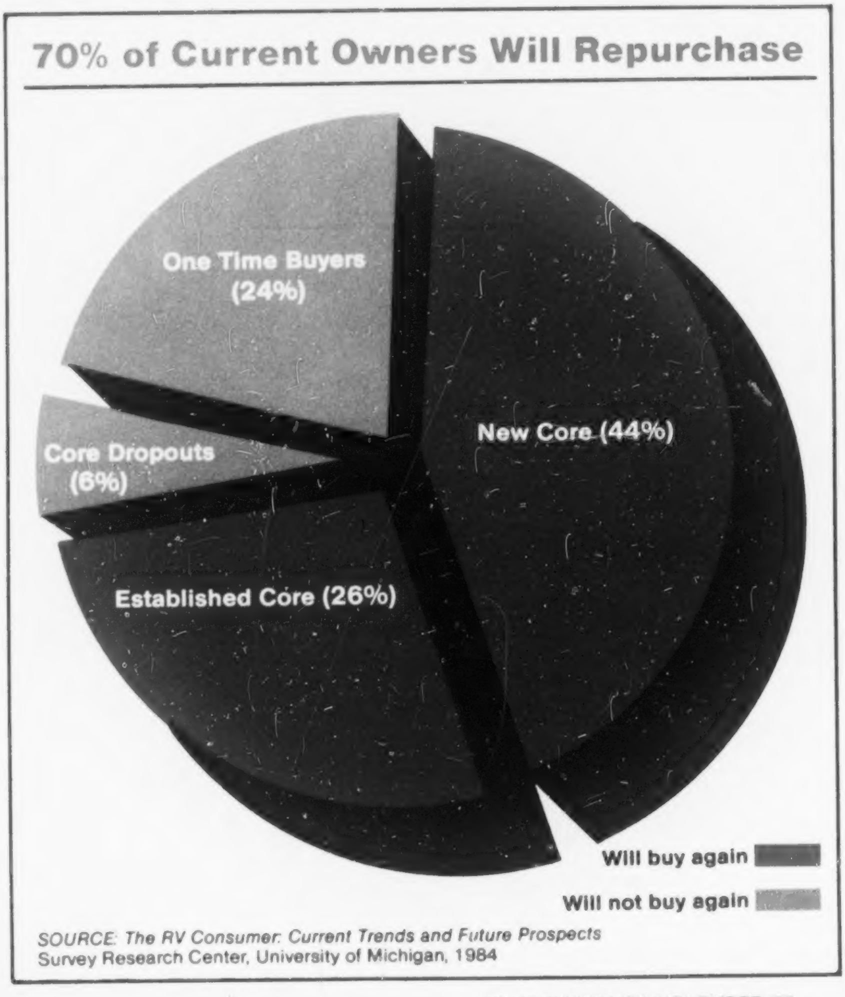
Potential RV Market

	Current Owners	Non-Owners Interested in Buying	Non-Owners Interested in Renting	Total Potential Market
All Families	10%	4%	14%	28%
Ages				
18–34 years	6	5	21	32
35–54 years	14	4	14	32
55 and older	10	3	6	19
Region:				
West	17	4	16	37
North Central	10	4	14	28
Northeast	8	5	12	25
South	7	4	14	25

SOURCE: The RV Consumer: Current Trends and Future Prospects
Survey Research Center, University of Michigan, 1984



SOURCE: *The RV Consumer: Current Trends and Future Prospects*
Survey Research Center, University of Michigan, 1984



SOURCE: *The RV Consumer: Current Trends and Future Prospects*
Survey Research Center, University of Michigan, 1984

nomic challenge of the '80s, to see if any new trends are emerging in consumer buying attitudes and to identify any major shift in primary demand for RVs.

The following are the major survey findings on which this article will focus:

- RV ownership has increased by about 5 percent from 1980 to 1984, up from 6 million to roughly 7.4 million. The increase has occurred during a four-year period dominated by adverse economic conditions, signifying a broadly based and deeply rooted attraction to the RV way of life.
- Current RV ownership demographics are largely the same as they were in 1980. They reaffirm that RVs have broad appeal and that ownership of a particular type of RV is linked to the vehicle's own unique characteristics of size, concept and design.
- RV prices, personal finances and credit terms all play a role in the timing of an RV purchase, and their significance varies by demographic subgroup.
- Nearly one in four American vehicle-owning households is now a good RV market prospect, meaning that the potential RV market is more than double the current RV ownership rate.

Let's examine each of these findings in depth.

Ownership Growth

Today, 1 in 10 vehicle-owning families in the United States (9.8 percent) owns an RV. A couple of years ago, only 8.3 percent were RV owners. Accompanying this growth has been an overall increase in awareness about RVs among nonowners as more people than ever are beginning to see where RVs fit into their recreational lives.

The growth is even more impressive considering that the four-year period during which it took place was beset by adverse conditions such as high-interest rates, two recessions and spiraling gasoline prices. We believe the RV industry's excellent performance throughout the last few years stands as proof of the resilience and vitality of the RV lifestyle.

Demographics Update

Most growth in RV ownership occurred, as we expected it would, among people between 35 and 54 years of age. A total of 14 percent of all Americans in this age group currently own an RV, which is 3 percentage points higher than in 1980. Earlier, we found this age range to be most receptive to RV ownership because its members generally possess the same characteristics as RV owners—homeownership, experience-orientation and financial stability. The recent increase in RV ownership within this age group is due largely to the entrance of the biggest segment of the U.S. population: the baby-boom generation. The aging of this population will most

NEW INSIGHTS

continued

Factors That Will Most Influence Timing of RV Replacement Purchase

	Median # of Years Before Replace	Personal Finances	Good Buys on RVs	Cost of Finance	Other Factors	Total
All RV Owners that Intend Replacement Purchase	3.7	47%	33%	9%	11%	100%
Market Type						
Established core	4.3	41	39	8	12	100%
New core	3.4	47	30	11	12	100%
Age						
18–34 years	4.5	63	21	7	9	100%
35–54 years	4.6	50	29	11	10	100%
55 or older	2.3	25	48	9	18	100%
Income						
Under $20,000	4.6	51	25	14	10	100%
$20,000–$29,000	3.1	50	34	14	2	100%
30,000 and over	3.6	36	41	4	19	100%
Region						
West	3.0	40	31	13	16	100%
North Central	5.0	43	41	4	12	100%
Northeast	3.0	48	29	9	14	100%
South	4.0	55	33	8	4	100%

SOURCE: The RV Consumer: Current Trends and Future Prospects
Survey Research Center, University of Michigan, 1984

likely result in substantial growth in RV ownership during the next decade.

The ownership rate among older Americans has also increased. Of those over 55 years of age, 9.9 percent now own RVs, compared to 7.9 percent in 1980. The increase in ownership among the middle-aged was concentrated in motorhomes and vans, while among those in the over-55 age bracket, growth was largest in travel trailers.

A drop in RV ownership was recorded among 18- to 34-year-olds, falling from a 6.3 percent ownership rate to 5.7 percent. Traditionally, this group has had the smallest percentage of RV ownership because they are less settled both domestically and financially. The recent drop is probably due to the fact that, much more so than for any generation before them, their prospects upon entering the job market were extremely lean. Many were forced to enter at low-paying job levels while the economy prevented them from starting families and buying homes—both traditional forerunners of purchasing an RV. As the financial picture improves for this group and more of them become homeowners, we look for growth in RV ownership among them.

Results of the new survey also showed that there continues to be widespread RV ownership among families of all income levels. We divided all participants in the survey into those with family incomes over the median ($25,000) and those with family incomes below the median. We found that both income groups experienced a growth in RV ownership from 11.2 percent to 12.4 percent among those with higher-than-median family incomes, and from 7.1 percent to 7.9 percent among families earning less than $25,000. These simultaneous increases point to a constant demand for RVs at both higher and lower ends of the pricing spectrum.

Three of the four major census regions showed an increase in RV ownership rates in the new survey. The greatest growth—from 13.1 percent to 16.9 percent—was in the Western region of the country, which recorded the highest ownership rates in both the 1980 and 1984 surveys. Traditionally, RVs have been most popular among Western residents, and in 1984 Westerners accounted for a total of 30 percent of all RVs owned.

RV ownership increased in the North-Central region from 8.2 percent to 9.8 percent; the Northeast recorded a stunning 8.4 percent ownership rate, nearly double its 4.7 percent rate in 1980. Residents of the Northeast posted nearly equal increases for all types of RVs, while in the Western region the growth in ownership was concentrated mainly in fifth-wheels and travel trailers. The North-Central region showed a slight preference for folding camping trailers and truck campers.

The South is the one region where we saw a notable decline in RV ownership, down from 7.4 percent to 6.6 percent. With the decrease in the South and the increase in the Northeast, the RV ownership rate in the Northeast surpassed the South in 1984. Since the South has the largest population of all four census areas, the drop in RV ownership there is significant for the RV industry.

In actual numbers of households, more RV owners live in the West (2.4 million) than in any other region. This is followed by the North-Central region (1.8 million), the South (1.6 million) and the Northeast (1.3 million).

By product type, an increase in the number of owners of all but one general type of RV was found in 1984 compared to four years earlier. The only exception was for ownership of truck campers, which fell only slightly from 1.8 percent to 1.5 percent. The growth in ownership of van conversions was somewhat above the growth in motorhome ownership. Van conversion ownership rose from 1.4 percent to 1.9 percent of all households, while motorhome ownership rose from 1.2 percent to 1.4 percent. Travel trailers were not only the most common type of RV owned in both 1980 and 1984, but also had the highest growth—from 3 percent to 3.7 percent. The decline in truck camper ownership, even though households are now more likely to own pickup trucks, reflects in part the decreasing size of pickup trucks.

Current Owner Purchase Intentions

Besides falling into the age, income, geographical and product categories outlined above, current RV owners can also be categorized by their past and future purchase intentions.

First, we asked survey participants about their history as RV owners and we found that 68 percent were first-time buyers, while 32 percent had owned an RV before their current unit. Folding camping trailer and truck camper owners were predominantly first-time buyers (83 percent). Of all travel trailer and fifth-wheel owners, about half (55 percent) were first-time buyers and the others (45 percent) had previously owned an RV.

Motorhome and van conversion owners had much the same record as all RV owners in general: 70 percent were first-time buyers while the remaining 30 percent were repeat customers.

As for future intentions to buy an RV, we found that current owners could be grouped as follows: established core (26 percent), new core (44 percent), one-time buyers (24 percent) and core dropouts (6 percent).

The established core is made up of RV owners who have owned two or more RVs and plan to buy again, and the new core consists of those who now own their first RV and plan to buy another. Core dropouts, who are very few in number,

continued on page 90

NEW INSIGHTS

from page 82

make up those who have owned two or more RVs but do not expect to buy another one. One-time buyers are those who now own an RV but do not intend to make a replacement purchase.

Adding together the two groups of current owners who plan to buy again—the established core and the new core—we can see that 70 percent, or 7 in 10 owners, will replace their current RV with another unit, remaining an active part of the RV lifestyle. This represents more than 5 million households and compares favorably with the 1980 finding that 65 percent of owners would replace their RV. Both figures indicate a high level of satisfaction among owners.

Replacement demand among current RV owners continues to display a definite pattern of "moving up" in terms of unit size and price, just as we found in the 1980 study. Of the 70 percent of current owners who will replace their RVs with another, 41 percent plan to purchase a motorhome or van conversion (the most expensive types of RVs), 22 percent will purchase a travel trailer or fifth-wheel (midpriced) and only 7 percent of current owners choose to replace their current RV with a folding camping trailer or a truck camper (least expensive). Whereas lower-priced units are more frequently the choice of first-time buyers, repeat buyers often opt for the higher-priced types of RVs.

Motorhomes, especially, are the future choice for many present RV owners. A total of 73 percent of current motorhome and van conversion owners will replace their units with the same type of RV. Of folding camping trailer and truck camper owners, 23 percent will replace their units with a travel trailer or fifth-wheel, 21 percent with a motorhome and 18 percent with the same type of unit. Travel trailer and fifth-wheel owners fall somewhere in between, with 42 percent planning to buy a motorhome next time, 24 percent expecting to buy another travel trailer, and only 2 percent choosing the lower-priced folding camping trailer or truck camper.

> *"The most important determinant in the timing of replacing an RV was personal finance."*

The most important factor mentioned by current RV owners as affecting the selection of their next RV was interior space (45 percent). Other factors included operating costs and tow requirements, which were well behind at 18 percent and 4 percent, respectively. In addition, 28 percent—mostly motorhome and van conversion owners—mentioned specific improvements in areas such as driving and towing performance, and in kitchen facilities.

The most important determinant in the timing of replacing an RV was personal finance (47 percent). Good buys on RVs (33 percent) was a strong second, and cost of RV financing (9 percent) a distant third. When might RV owners purchase again? We found that current owners plan to replace their RV in 3.7 years on the average. Those in the established core indicated they would replace their RVs somewhat later, in 4.3 years, than those in the new core, who planned a replacement in 3.4 years.

Younger buyers, who are more likely to buy an RV using credit, were predictably the most credit sensitive among all current owners. This group is mainly concerned with the "cost per month" or

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out-of-pocket cost as opposed to total cost (including finance charges) of the RV purchase. They will be more inclined to buy an RV when presented with longer loan maturities which will provide them with more manageable monthly payments.

The middle-age group, between 35-54, cited personal finances as the most important factor for time of replacement. Those over age 55, who are often at or nearing retirement, were most concerned with good buys on RVs and were largely unaffected by financing costs.

Total Potential Market

The total potential RV market—those who will buy RVs in the years ahead—consist of: 1) the 70 percent of all current owners who intend to make replacement purchases, and 2) first-time buyers.

Members of the established core market are generally older, and, if they are still working, generally have higher-than-average incomes. Since many of them are retired or near retirement age, their purchases are primarily financed out of accumulated savings and not by using credit. Rising unemployment and high-interest rates have little adverse affect on this group, but inflation affects their spending habits.

Even if the upcoming decade is marked by slow economic growth coupled with rising unemployment and high-interest rates, this group will make good sales prospects as long as inflation remains low and stable. Their decisions on when to repurchase an RV are generally dictated by price; so incentives, such as rebates and markdowns, will increase their likelihood of buying at a particular time. Because it is so concerned with price, the established core market is the most competitive market segment. This group is the most likely to buy during cyclical economic downturns and in RV sales.

> *"The established core market . . . is the most likely to buy . . . in RV sales."*

The new core market members are generally middle-aged with above-median household incomes. Their purchases usually involve credit, so the timing of their replacement purchases is tied to interest rates and their own financial security. This group usually dominates the early stages of the overall rebound in market sales after a downturn in the economy.

Clearly, the most dependable prospects for RV sales in the next decade are the 7 out of 10 current owners who are already planning to make a replacement purchase. But the first-time buyers of today will be the established core of the future and provide an even broader scope to the RV industry.

First-timers tend to be younger in age and have incomes near the median. They are very much affected by credit conditions and personal finances—more so than the new core market. They are usually the last group to buy an RV after an economic recession. They are especially attentive to low prices and are, therefore, prime targets for lower-priced introductory units. As stated earlier, they are also more likely to buy an RV if given longer loan maturities offering them lower monthly payments.

First-time buyers are excellent prospects for RV rentals, which have become increasingly popular in the last few years, offering newcomers the opportunity to experience the RV way of

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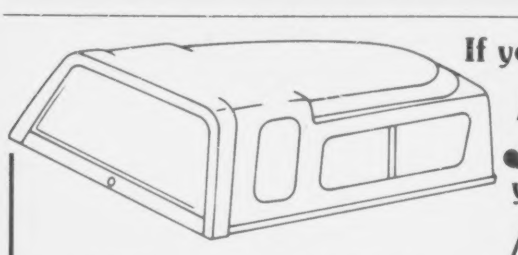

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NEW INSIGHTS
continued

life without first making a large financial investment. One-way rentals and fixed-site rentals are two new rental arrangements now being offered. In our survey, nonowners in the Northeast showed the most interest in these new rental arrangements, as did families with below-median incomes.

We found that 4 percent of nonowners in our survey expressed a direct interest in buying an RV within the next year; 14 percent are considering the possibility of renting an RV in the next 12 months. Turning this 18 percent into RV sales and attracting those who have, up to now, shown no interest in RVs will be the challenge for the RV industry in the next decade.

One last word that might make meeting this challenge a little easier: One in four vehicle-owning households is already showing an interest in the RV lifestyle, either by owning or planning to buy or rent an RV. Δ

Richard T. Curtin, Ph.D., is director of the survey of consumer attitudes at the Survey Research Center of the University of Michigan. He is regarded as one of the nation's foremost researchers in the field of consumer behavior. Recapped in this article are the important findings of a newly completed study by Curtin and the Survey Research Center about RV consumers. This is the third major study on RVs that Dr. Curtin and his staff have conducted in the last five years. It is based on telephone interviews with 2491 vehicle-owning households in 1984. The findings are relevant not only for what they indicate on their own but also for how they compare to the previous years. Copies of the new study are available from RVIA, P.O. Box 2999, Reston, Virginia 22090, for $10 plus $1 for postage and handling.

Have People Page Info?
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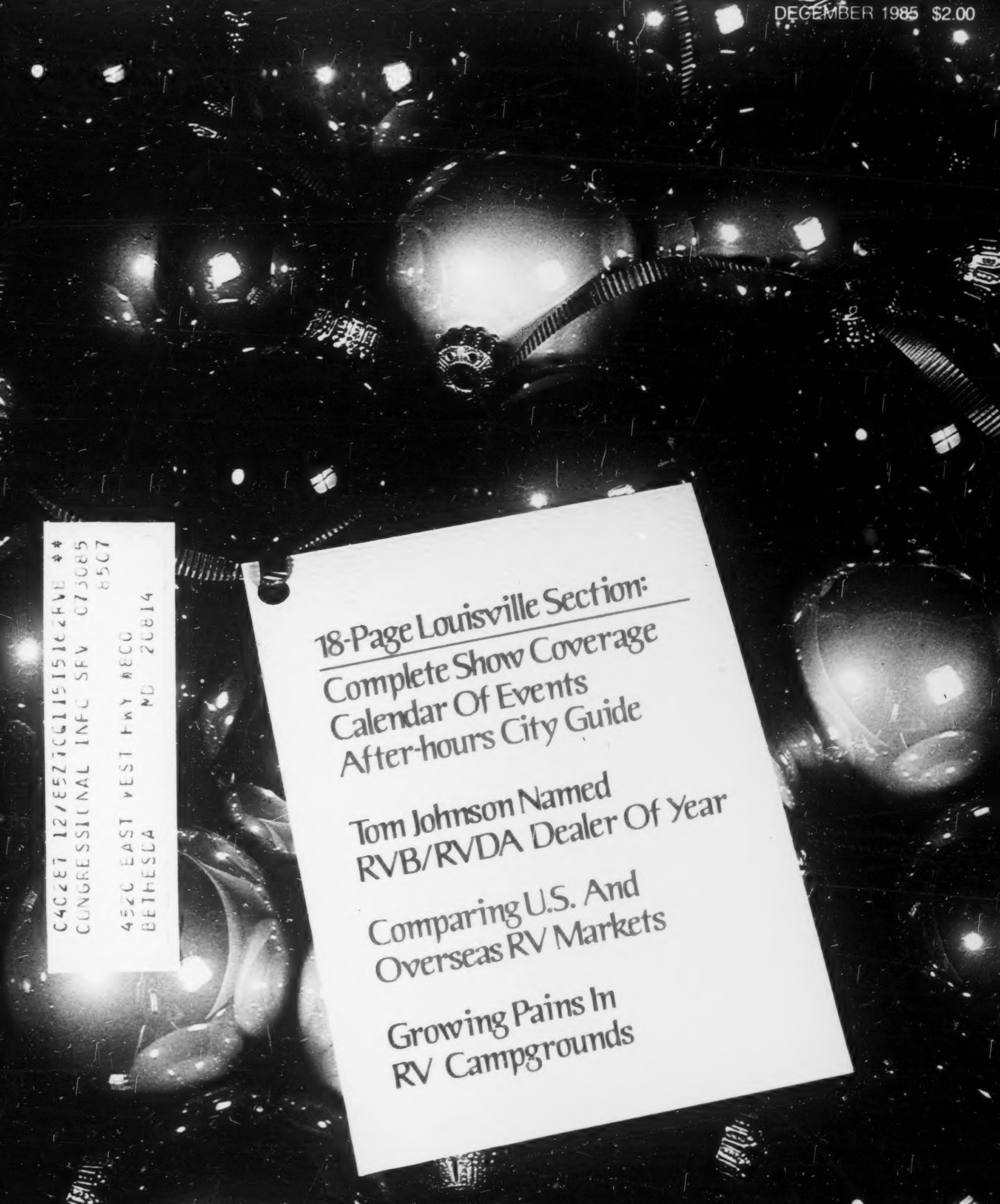

18-Page Louisville Section:

Complete Show Coverage
Calendar Of Events
After-hours City Guide

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RVB/RVDA Dealer Of Year

Comparing U.S. And
Overseas RV Markets

Growing Pains In
RV Campgrounds

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Siskiyou RV Wo
PATHFINDER

ON THE COVER: These lovely Christmas ornaments represent RVB's recognition of tradition within the industry. The unusual pastel colors indicate our awareness of each new year's trends and directions that add to those traditions. Both tradition and spontaneity are in this issue's every feature from shows to showrooms. Photo: Darryl Grey.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	SEPT '85	SEPT '84	% CHANGE	1985	1984	% CHANGE	SEPT '85	SEPT '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	97	82	+18%	1069	1054	+ 1	53	76	−30%	795	868	− 8%
TRAVEL TRAILERS	76	79	− 3%	858	914	− 6%	95	70	+35%	792	842	− 5%
TRUCK CAMPERS	13	11	+18%	178	161	+10%	11	16	−31%	120	178	−32%
CAMPING TRAILERS	69	94	−26%	1506	1543	+ 2%	22	19	+15%	348	281	+23%
FIFTH-WHEELS	21	24	−12%	261	317	−17%	8	6	+33%	83	86	− 3%

	FOR MONTH			YEAR-TO-DATE		
	SEPT '85	SEPT '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$6,954,912	$6,615,912	+ 5%	$83,612,557	$83,614,515	−less than 1%
TOTAL UNIT SALES	465	477	− 2%	6,010	6,244	−3%
NEW UNIT SALES	276	290	− 4%	3,872	3,989	− 2%
USED UNIT SALES	189	290	+ 1%	2,138	2,255	− 5%

In this year of yo-yoing sales, September turned out to be on the unwind. Sales slipped slightly from the previous year—not much, but enough to create more minuses than plusses in this report.

Sales volume was up slightly from the previous September, but unit sales slipped a bit. New units were slightly down, but used nudged into the plus column. Year-to-date, sales volume is almost the same as last year.

It has been a mixed-bag year. Twelve of the Dealer Advisory Board (DAB) members are ahead of last year in dollars taken in, 11 are down. In a few cases, increases and decreases are considerable (25-40 percent). On the whole, however, most dealers are about where they were last year at this time.

Eastern dealers seem to be doing better than those from other regions. Business is weakest among those DAB dealers in the south and west.

In numbers, used unit sales were not bad; in profits, they were the weakest they have been all year. Dealers are trying to get rid of some of their surplus inventory before winter, so they are taking short grosses in many cases.

MOTORHOMES

Along with truck campers, this type led the pack for September in terms of percentage of increase over the previous September. New unit sales were up 18 percent. For the year-to-date, however, the increase is only 1 percent. Used motorhome sales have been weak.

A couple of the large, motorhome specialists on the DAB doubled their sales over last September. On the other hand, another had a decline of 60 percent. Most average size multi-type dealers stayed about equal with last year.

Profits were rated fair to good—heavy on the fair.

TRAVEL TRAILERS

It has been a struggle for trailer dealers all year. Only a couple of DAB members have had gains, both through expansions of their facilities. The average trailer dealer is down, some drastically.

Various explanations are offered for the sales decline. Undoubtedly the tow rig problem is one of the foremost; big prices is another. Possibly one that is becoming more significant is that former big travel trailer buyers have bought or are going to buy park models in snowbird areas. The tremendous increase in popularity of that RV type in snowbird parks will undoubtedly increase the impact on large trailer sales.

Used trailer sales were very good during September, but the dealers who sold the most reported very weak profits. New unit profits were rated fair to good.

TRUCK CAMPERS

Those DAB members who deal in this RV type are doing well. The unit increase isn't large, but the percentages are high. For the year-to-date, this type is the percentage leader in new units sold. Also, profits are reported good.

Used campers don't seem to be moving well, though. The drop for the month and for the year-to-date is the highest for any type.

CAMPING TRAILERS

September wasn't a good month for this type. It seldom is, but this year it was a little worse than usual. Year-to-date, however, they are still slightly in the plus column in new unit sales.

Used sales have been good, too.

Profits were varied for the month, but the poor mark was very prominent.

FIFTH-WHEELS

New unit sales were down slightly for the month, but for the year-to-date, the drop is, in terms of percentages, the greatest of any type. Very few multi-type dealers get impressive numbers. The average dealer sells one to three units per month.

Used sales aren't bad—down only slightly for the year-to-date. Profits were rated fair to good. Δ

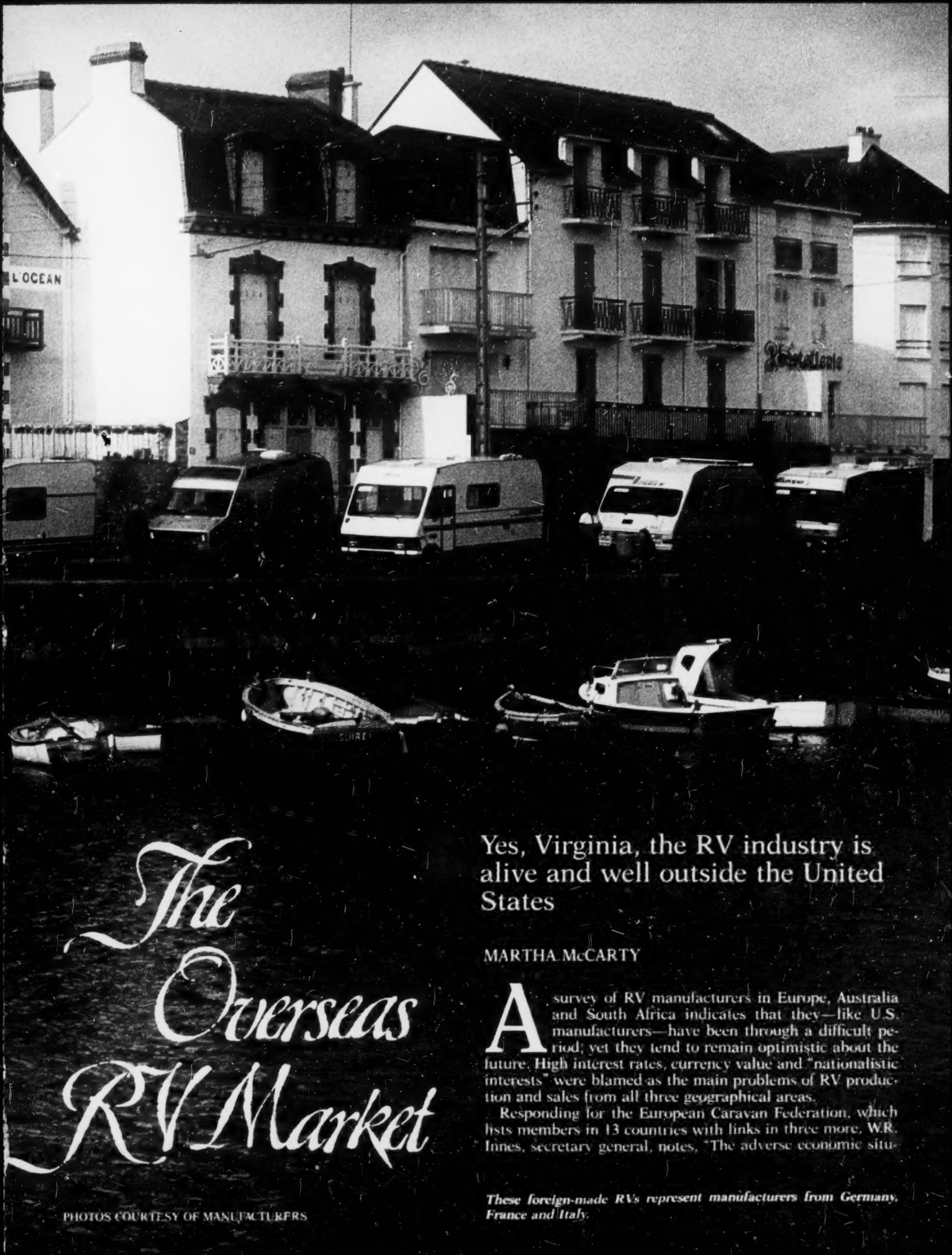
Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, SEPTEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during September 1985 was 26,400 units, up 0.8% from September 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Sept. 1985		Sept. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	4,000	4,400	− 9.1%	45,400	55,800	−18.6%
PARK MODELS	700	500	+40.0%	5,600	5,300	+18.9%
FIFTH-WHEELS	1,700	1,400	+21.4%	16,000	15,400	+ 3.9%
TRUCK CAMPERS	600	500	+20.0%	5,800	6,600	−12.1%
MULTI-USE VEHICLES	11,900	11,700	+ 1.7%	127,500	134,200	− 5.0%
TYPE A: MOTOR-HOMES	2,300	2,500	− 8.0%	26,500	32,100	−17.5%
TYPE B: VAN CAMPERS	300	300	0%	5,500	5,500	0%
TYPE C: MINI MOTOR-HOMES	2,100	2,000	+ 5.0%	23,500	27,200	−13.6%
FOLDING CAMPING TRAILERS	2,800	2,900	− 3.5%	29,100	32,300	− 9.9%
TOTALS	26,400	26,200	+ 0.8%	284,900	314,400	− 9.4%



These foreign-made RVs represent manufacturers from Germany, France and Italy.

PHOTOS COURTESY OF MANUFACTURERS

The Overseas RV Market

Yes, Virginia, the RV industry is alive and well outside the United States

MARTHA McCARTY

A survey of RV manufacturers in Europe, Australia and South Africa indicates that they—like U.S. manufacturers—have been through a difficult period; yet they tend to remain optimistic about the future. High interest rates, currency value and "nationalistic interests" were blamed as the main problems of RV production and sales from all three geographical areas.

Responding for the European Caravan Federation, which lists members in 13 countries with links in three more, W.R. Innes, secretary general, notes, "The adverse economic situ-

France

France presents the three minis shown top left: Gruau, Pilote and Aristocrat. The Caravelair California travel trailer (above left) has enjoyed success.

South Africa

South Africa's Wilk Amethyst exterior (top) and interior.

OVERSEAS RV MARKET

ation in Europe has affected all leisure activities, including the RV industry. For the past five years, production and sales have been falling, although there remains a strong public interest in all forms of RVing, as shown by attendance at the major exhibitions in Europe, and a steady demand for used vehicles."

Economic woes were also noted in Australia and South Africa. "The market has declined dramatically in 1985 . . . and looks like it will be coming off about 40 percent on 1984 figures," says T.N. Wiggill, group marketing director for South Africa's CI Industries. "We are in the midst of a very serious recession in South Africa, and sales are not as buoyant as they have been in previous years. High interest rates—on hire purchase between 28 and 30 percent—is the main reason for buyers being few and far between."

Australia's RV industry has also experienced a decline during the last few years. Graeme A. Marston, manager of Caravan Trade and Industries Association of Victoria, notes that the RV market in Australia "has declined from a total of 40,000 units sold in 1975-76 to 10,648 last year. The downturn in sales in Australia has been caused, first, by the petrol shortage scare in 1976-77 and since then by the reduction in the size and power of the average motor car, which restricts the number of vehicles capable of towing a good-size caravan."

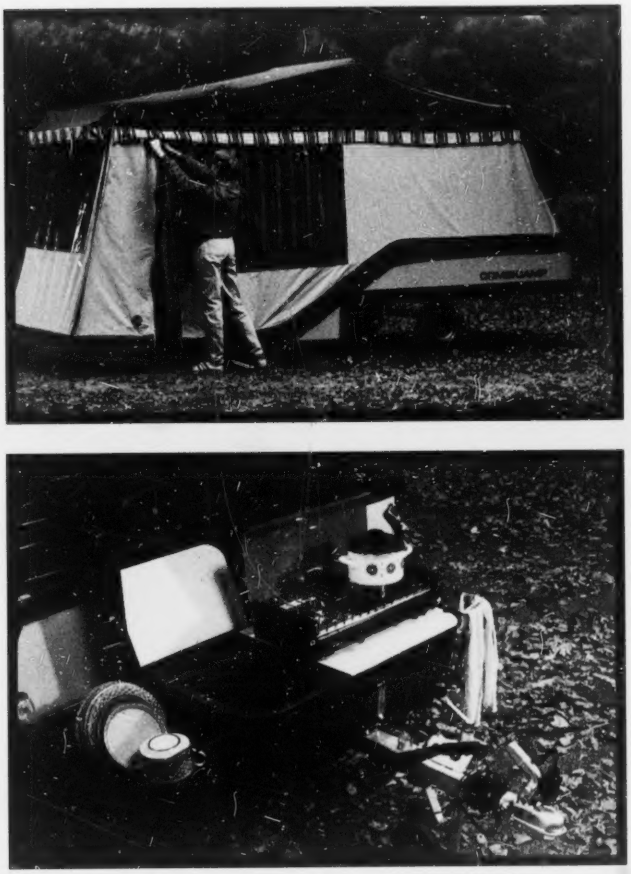
It's not all bad, though; there is good news down under. The Recreational Vehicle Manufacturers Association of Australia's Executive Officer, Eric C. Baldwin, notes that the Australian RV industry is "starting to show a slow recovery with a gradual low annual increase."

In Europe, it is national interests that are causing problems. The European Caravan Federation, according to Innes, is "the only trade organization representing caravan manufacturing interests that is recognized by the United Nations (Economic Commission for Europe) and by the International Standards Organization. We actively defend manufacturing interests at meetings of these bodies. Much of our work is of a technical nature, and we work to break down technical barriers to international trade."

Andrew F. Kutzner, president of Executive Wohnmobile GmBH in West Germany, is not quite so restrained in his comments about the national interests. "Regretfully, despite its connotation, the EEC (European Economic Community, also called the Common Market) only stands for 'economics' and not for any agreed-upon standards. You need only look at the present hassle to get the catalytic converter on cars passed between the EEC members. While the EEC counts as many citizens as the United States does, our markets are still very dominated by nationalistic interests, which makes marketing—as well as production—a far more difficult task. All this is complicated even more by the six different languages spoken here—a costly tête-à-tête."

The editorial director of France's *Camping-Car,* Marc Rousseau, speaks also of the barriers in Europe. "You can imagine what happens between professional organizations of different countries when one of them decides on a new technical or

Denmark



Denmark's CombiCamp 15-second setup (top) and kitchen.

Sweden

Sweden's CI-Smålandia 450 and 500 (top) and CI-Sävsjö 525.

commercial rule. It's easy to say that it is disguised market protection, and this problem is accentuated by the fact that the opening of the different markets was not the same in the past year. The French one was really open; the German one was closed (especially for products coming from the south). Somebody could say that the English market was open, but you must not forget some details such as the necessity of building RVs with doors on the left side!

"But looking ahead," Rousseau speculates, "there are really many progresses made. The main reason is that the RV market situation is bad everywhere. Professionals understand that it is more interesting to look for global solutions than to fight for details."

Popularity of different RV types also seems to be a regional item. ARCA S.p.A. produces a Class C motorhome, which holds about 70 percent of the Italian market and which claims to be the most popular such model in Europe. All types of trailers, or "caravans," are popular in Australia, South Africa, Denmark, Sweden, France and the United Kingdom. Swedish production is geared "to the cold climate specifications for the Nordic countries of Sweden, Finland and Norway," according to Sveneric Rosell of CI Caravans Savsjo AB. "Caravans used for summer are imported from Germany and Yugoslavia."

Maria Patrizi of ARCA reports that supply problems plague their industry as it does the U.S. industry. Supply problems in Italy, for instance, are caused "by delays in chassis delivery. In fact, we have to program orders with a large advance. Special chassis like those available for motorhomes in the United States do not exist in Europe; as a consequence, the manufacturers must get them from commercial vehicles' production."

Supply problems, other than the aforementioned ones for Italian motorhome chassis, vary from country to country. Baldwin reports that Australian manufacturers have a problem "to a certain extent as most materials are imported due to lack of competitively priced local material." Denmark's Combi-Camp AS Managing Director Ib Agertoft says that "with careful planning, we have no supply problems."

"We do not have any supply problems and, in fact, have considerable capacity at the present time," replies Wiggill for the South African industry. "We are now looking at export opportunities. It seems to us that, with the significant decline in the value of our currency, which is the Rand, a number of markets may present new opportunities to us in spite of high transport costs."

Looking to the future, responding manufacturers list a number of areas about which they are excited. The English and Australians speak of "holiday caravans" that are permanently located in parks for weekend and vacation use, and the growing market of "residential caravans" or "transportable homes" (mobile homes). In South Africa, where caravans are often left on a permanent site, Wiggill sees "a trend toward more luxurious standards in respect of convenience and comfort. We have recently introduced a range of Wilk Caravans with unashamed luxury features and no-expense-spared quality materials and workmanship. We have very high hopes for significant market penetration with this new range."

Rousseau reports that the French manufacturers are look-

OVERSEAS RV MARKET *continued*

ing toward "the real start of the conventional motorhome." Patrizi says her company's trend is "rather in advance technologies and refined finishings to differ from the big number of procedures."

Executive Wohnmobile believes the "do it yourself" market and Class A motorhomes offer the greatest opportunities. Both the Swedish and Danish manufacturers believe their future lies in the export of their trailers to the United States, Canada and Australia.

The National Caravan Council Limited, representative body of the British caravan industry, recently organized a national television advertising campaign, promoting touring and holiday caravans. The basis of the campaign was primarily aimed at "identifying those customers who are interested in buying caravans and secondly, at changing the

RV Market Statistics 1983/84

	1983			1984		
	Tourers (All towables)	Motorized	TOTAL	Tourers (All towables)	Motorized	TOTAL
Belgium	3,500	100	3,600*	‡	‡	‡
Denmark	4,076*	—	4,076*	3,448*	—	3,448*
Eire	3,000*	—	3,000*	‡	‡	‡
Finland	2,967	50	3,017	3,395	100*	3,495*
France	56,527*	4,099	60,626	47,203	3,922	51,125
Italy	25,790	4,715	30,505	‡	‡	‡
Netherlands	18,502	‡	‡	‡	‡	‡
Norway	5,434	‡	‡	6,620	‡	‡
Sweden	6,373	190*	6,638	6,907	300*	7,282*
Switzerland	2,072	425	2,798	‡	‡	‡
United Kingdom	27,022	2,116	43,832	‡	2,322	‡
United States	127,500	69,500	499,279	133,300	82,000	517,493
West Germany	30,250	7,010	37,810	28,495	6,034	35,329

The above figures are not strictly comparable because they are based upon differing sources. These sources are production, registrations, sales and production plus imports minus exports. European figures courtesy of European Caravan Federation; United States figures courtesy of Recreation Vehicle Industry Association.

‡ Statistics Not Available

** Estimates*

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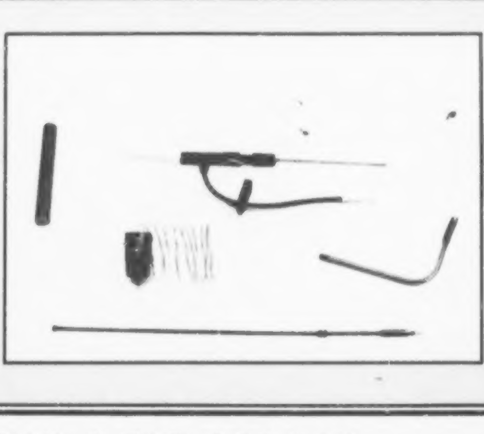

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OVERSEAS RV MARKET *continued*

Australia

Australia's Viscount Aero Lite pop-top travel trailer (top) and Viscount Grand Tourer model (above).

public's perceptions of caravans."

The RV world, it seems, is smaller than we may think. The Japanese, as reported in our November issue, may soon be approaching the U.S. market. On the other hand, while a few foreign manufacturers such as Esterel are cautiously testing the water of U.S. marketing, Europe openly announces its area to be the land of opportunity for U.S. RV products—especially component parts manufactured abroad.

continued

Foreign RV Manufacturers' Associations

Recreational Vehicle Manufacturers Association of Australia
35 Mills Road
Dandenong, 3175 Victoria
Australia

European Caravan Federation
P.O. Box 33
Epsom, Surrey KT19 ONJ
Great Britain

Constructeurs Belges de Caravanes
Grootbosstraat 146
1641 Alsemberg
Belgium

Camping-Branchens Faellesorganisation
Borsen
1217 Kobenhavn K
Denmark

continued on page 50

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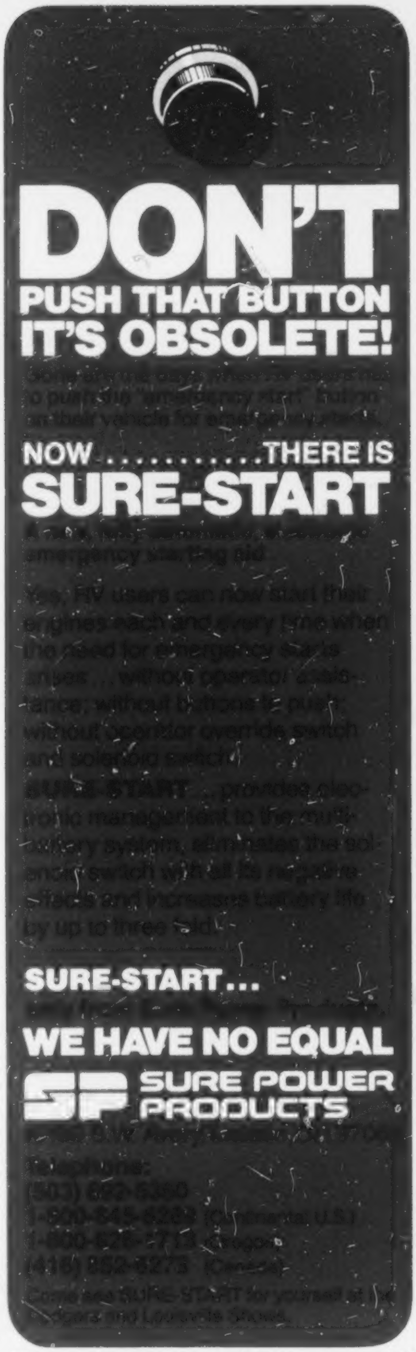
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OVERSEAS RV MARKET *continued*

Kutzner offers this opinion of component parts for European RVs: "I believe that American manufacturers have a ready, open and growing market here in Europe, but again the production will have to be at this side of the Atlantic because the fluctuating and overvalued dollar increases the price of U.S. goods by some 62 percent. There really is a lot of scope in Europe in this field because the real European components are in many ways behind the times."

The future of the RV industry abroad is as unpredictable as that of the industry in the United States. One thing seems certain, however, and that is that the RV market potential is limited only by our individual lack of vision—wherever we are. Δ

FOREIGN RV *from page 48*

Irish Caravan Council
2, Offington Court
Dublin 13
Eire

Suomen Asuntovaununtuottajat R.Y.
Kirkkotie
04300 Hyryla
Finland

Syndicat des Industries de la Caravane, des Vehicles et Residences de Loisirs
3-5 reu des Cordelieres
75013 Paris
France

Verband Deutscher Wohnwagenhersteller e.V
In der Schildwacht 41
6230 Frankfurt-am-Main-Nied 80
West Germany

Associazione Nazionale fra Industrie Automobilistiche
Corso Galileo Ferraris 61,
I-10128 Torino
Italy

Nederlandse Vereniging de Rijwiel-en Automobiel Industrie
Europaplein 2
1078 GZ Amsterdam
The Netherlands

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Oslo 2,
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Postfach 6130,
8023 Zurich
Switzerland

National Caravan Council
Catherine House, Victoria Road
Aldershot, Hants. GU11 1SS
United Kingdom

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Coachmen of Colorado

SUPPLIERS' SPECIAL—Discover New Products For New Profits

Business Problems? The SBA Can Help

Monitor: The Third Annual Ad Of The Year

RV BUSINESS

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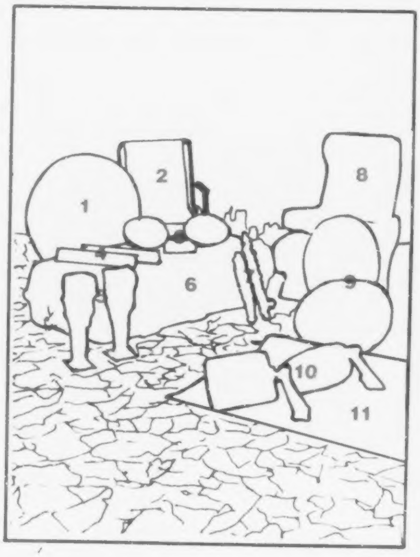
ON THE COVER: Our thanks to those companies who contributed their new products for our cover photo. The complete story is supplied on page 38. Photo: Paul Pribble.

(1)Valley Industries, tire cover; (2) Zip Dee, chair; (3) Pioneer, cassette player; (4) REC Specialties, interior light; (5) A&E Systems, electric jacks; (6) Carefree of Colorado, pod; (7) 4-Way Suspension Systems, shocks; (8) Sears Dura-Form, interior seat; (9) Wheel Masters, wheel covers; (10) Ramco, mirrors; (11) Carter Shade, awning.



Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	OCT '85	OCT '84	% CHANGE	1985	1984	% CHANGE	OCT '85	OCT '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	102	89	+15%	1178	1147	+ 3	72	87	−17%	868	953	− 9%
TRAVEL TRAILERS	77	81	− 5%	935	993	− 6%	80	81	− 1%	868	923	− 6%
TRUCK CAMPERS	10	12	−17%	187	174	+ 7%	15	17	−12%	138	197	−30%
CAMPING TRAILERS	54	50	+ 8%	1506	1592	− 5%	20	15	+33%	368	299	+23%
FIFTH-WHEELS	25	19	+32%	285	344	−17%	6	12	−50%	89	95	− 6%

	FOR MONTH			YEAR-TO-DATE		
	OCT '85	OCT '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$7,750,352	$7,068,638	+10%	$90,362,909	$90,423,493	−less than 1%
TOTAL UNIT SALES	461	463	−less than 1%	6,422	6,717	−4%
NEW UNIT SALES	268	251	+ 7%	4,091	4,250	− 4%
USED UNIT SALES	193	212	− 9%	2,331	2,467	−- 6%

October was one of the better months for members of RVB's Dealer Advisory Board (DAB). October '85 unit sales were almost identical with those of October '84, and sales volume was up 10 percent. A 7 percent increase in new-unit sales was offset by a 9 percent decrease in used-unit sales.

New motorhomes, camping traiilers and fifth-wheels were in the up column while travel trailers and truck campers were down slightly. With the exception of camping trailers, all used categories were down.

Year-to-date, motorhomes and truck campers show slight increases in new-unit sales. Towables of all kinds are down. In the used column, only camping trailers show an increase.

Although dollar volume and new-unit sales were up for October, both dollars and units (new and used) are down slightly for the year-to-date.

Profits were generally rated lower than normal. Most dealers settled for fair to good grosses, but there were both poor and excellent marks in a few categories.

Some dealers are having a difficult time, but experienced, dedicated dealers are doing reasonably well. A few are having a banner year. Most dropouts are those who get in and out of the RV business according to the times.

MOTORHOMES

New-unit sales exceeding those of October '84 boosted this category into the plus column for year-to-date. Three percent isn't much, but, in a year in which motorized sales are down at the manufacturing level, it speaks well for the DAB members—professionals accustomed to a zigzag industry.
zagging industry.

Most of the motorhome dealers on the DAB did as well as or better then they did last October. The increase of 13 new units over last year is attributable to dramatically improved sales by two large dealers on the board.

Profits were generally fair to good.

TRAVEL TRAILERS

This is the only RV type in this report that shows minuses in all columns. The numbers are not large, however, but they do indicate a problem that trailer dealers have had all year. The reality is that 12 of the 18 DAB members who sell trailers are down for the year.

In spite of the general downturn, six DAB members have managed to increase trailer sales. One large trailer specialist actually doubled last year's figures—definitely an exception to the overall picture.

Used units sold rather well in October. Profits were generally rated fair.

TRUCK CAMPERS

New slide-in sales dropped a bit in October but the year-to-date figures is still up—actually the highest for any category. Used sales were down for the month and have the largest down year-to-date figure for any type.

Two dealers reported new-unit sales. One rated profits excellent, the other rated them poor.

CAMPING TRAILERS

The slight increase for the month is largely attributable to sales of a fold-down specialist who did much better than he did last year. Most dealers stayed about the same.

It has been a rather poor year for many camping trailer dealers. Twelve were down in new-unit sales and only six were up. However, two of the latter had dramatic increases that brought up the category total.

The fact that used sales for the year-to-date are up considerably suggests that dealers are generally more receptive to fold-downs as trade-ins.

Profits were generally rated from poor to good.

FIFTH WHEELS

The fact that twice as many dealers reported fiver sales for October of this year as did last year accounts for the excellent increase for the month. Most sold only one or two units.

Year-to-date, this category is down in new-unit sales more than any other category. Both fiver specialists on the DAB have lower numbers this year than last.

Used sales of this type were off considerably for the month but aren't far behind last year for the year-to-date.

Profits were rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, OCTOBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during October 1985 was 29,900 units, down 4.8% from October 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Oct. 1985		Oct. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	4,300	4,400	2.3%	49,700	60,200	- 17.4%
PARK MODELS	800	700	+ 14.3%	6,400	6,000	+ 6.7%
FIFTH-WHEELS	2,200	1,900	+ 15.8%	18,200	17,300	+ 5.2%
TRUCK CAMPERS	400	500	- 20.0%	6,200	7,100	- 12.7%
MULTI-USE VEHICLES	12,600	13,300	- 5.3%	140,100	147,500	- 5.0%
TYPE A: MOTOR-HOMES	2,900	3,200	- 9.4%	29,400	35,300	- 16.7%
TYPE B: VAN CAMPERS	300	400	- 25.0%	5,800	5,900	- 1.7%
TYPE C: MINI MOTOR-HOMES	2,000	2,100	- 4.8%	25,500	29,300	- 13.0%
FOLDING CAMPING TRAILERS	2,200	3,200	- 31.3%	31,300	35,500	- 11.8%
TOTALS	27,700	29,700	- 6.7%	312,600	344,100	- 9.2%

WDA QUARTERLY SALES FIGURES

RV Business publishes a quarterly report of sales statistics from the Warehouse Distributors Association (WDA). The chart shown here is based upon a representative sampling of WDA members, as compiled in the third quarter of 1985. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	THIRD-QUARTER SALES VOLUME	
	PERCENT CHANGE 1984 to 1985	**RANGE OF CHANGE**
REGION 1	+ 17.6%	+ 33.3% to - 12.1%
REGION 2	+ 26.0%	+ 30.2% to + 4.2%
REGION 3	+ 2.3%	+ 60.6% to - 45.9%
REGION 4	- 2.4%	+ 57.0% to - 25.0%
REGION 5	- 2.0%	+ 13.5% to - 18.8%
REGION 6	+ 21.3%	+ 49.4% to - 3.7%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina, and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska,

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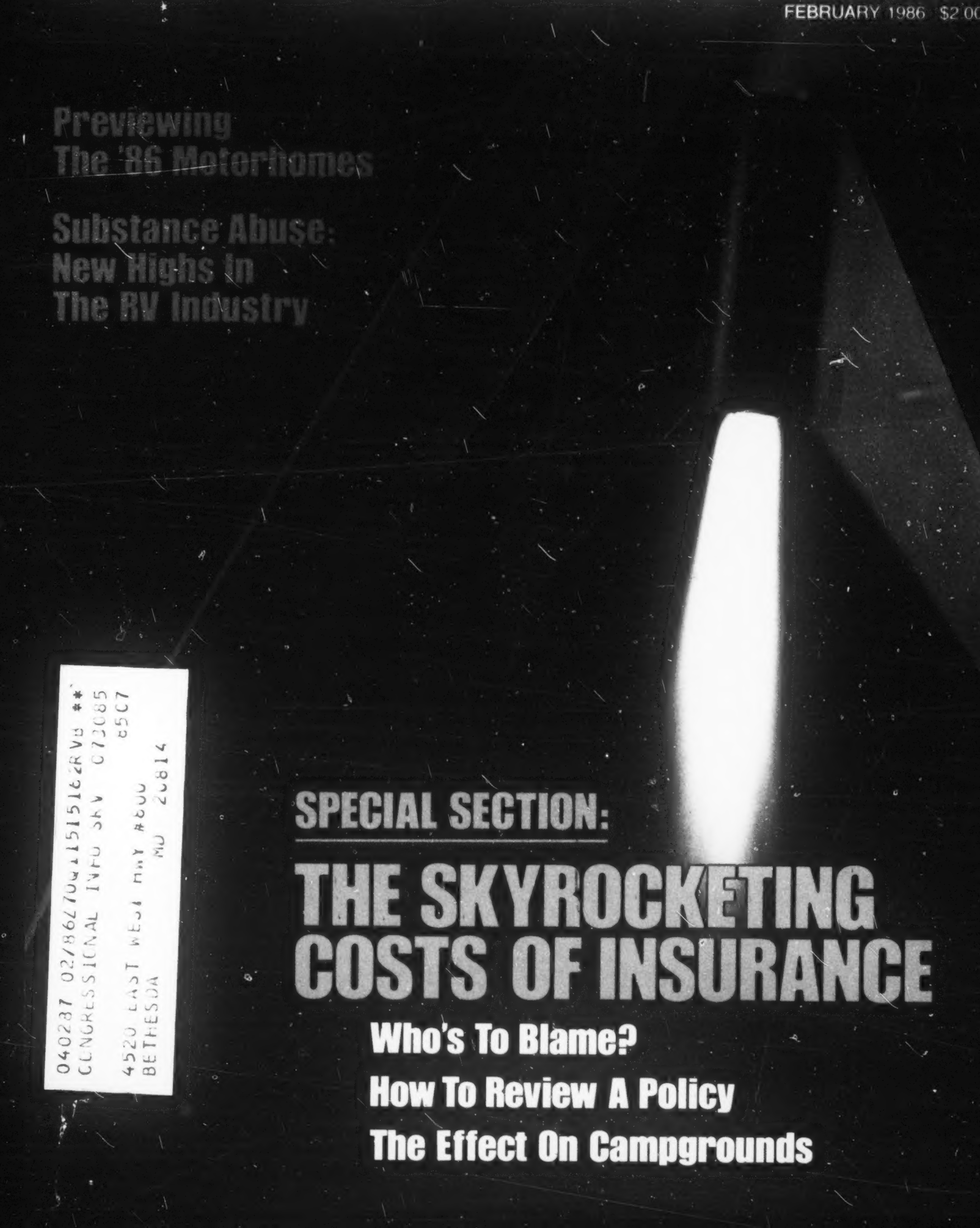

Previewing The '86 Motorhomes

Substance Abuse: New Highs In The RV Industry

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SPECIAL SECTION:

THE SKYROCKETING COSTS OF INSURANCE

Who's To Blame?

How To Review A Policy

The Effect On Campgrounds

RV BUSINESS

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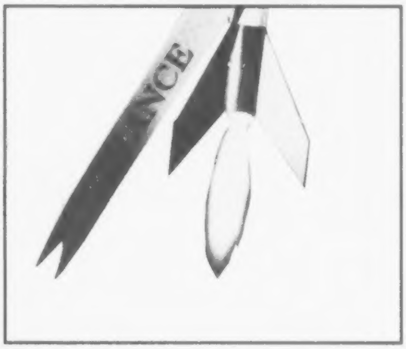
THE SKYROCKETING COSTS OF INSURANCE
Bob Longsdorf

For a variety of reasons, industrywide insurance rates are about to break through the outer limits of the financial stratosphere—and it may get worse before it gets better.



EVALUATING INSURANCE
Bob Honke

Being able to adequately evaluate existing or planned coverage is essential—and here's how.

CAMPGROUND INSURANCE
Beverly Edwards

Newly imposed ceilings on claims can leave campground owners vulnerable.

NEW HIGHS IN THE RV INDUSTRY
Lois M. Lawrence

Some RV companies have opened their eyes and are attacking drug and alcohol abuse head on!

THOSE MAGNIFICENT MOTORIZED MARVELS
Don Magary

Just when you wonder how they could get any better, along come the new-for-'86 motorhomes.

AD OF THE MONTH
Ben Sussman

The Coleman Company challenged the industry to a showdown with its Quick Draw campaign.

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BACK PAGE
Sheryl Harris Davis

ON THE COVER: In the past few months, the RV industry has been hit with skyrocketing insurance costs. The impact is so severe that many individual companies—be it manufacturer, dealer or campground—are wondering how much longer they can continue operating. Find out the situation's current status—and what it is likely to become—beginning on page 42. Photo: Hal Hunt.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	73	87	−16%	1249	1234	+ 1	62	68	− 9%	931	1021	− 9%
TRAVEL TRAILERS	67	61	+10%	1001	1053	− 5%	60	66	−11%	930	987	− 6%
TRUCK CAMPERS	13	13	± 0%	200	187	+ 7%	11	11	± 0%	149	184	−19%
CAMPING TRAILERS	22	29	−24%	1533	1619	− 1%	8	15	−47%	370	308	+20%
FIFTH-WHEELS	42	32	+31%	317	353	−10%	9	7	+29%	98	101	− 3%

	FOR MONTH			YEAR-TO-DATE		
	NOV '85	NOV '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$6,807,161	$6,989,656	− 2%	$98,170,070	$97,404,139	+ less than 1%
TOTAL UNIT SALES	367	389	− 6%	6,778	7,047	−4%
NEW UNIT SALES	217	222	− 2%	4,300	4,446	− 3%
USED UNIT SALES	150	167	−10%	2,478	2,601	− 5%

November was a *down* month—not much, but enough for most Dealer Advisory Board (DAB) members to feel the pinch. In dollars taken in and total units rolling over the curb, it was a straight minus situation. The decreases weren't large, but it is a definite indication that the market has weakened in the waning months of 1985, a condition that suggests 1986 will not be one of the better years for the industry.

Profit ratings were the poorest yet for the year, although they do not reflect panic selling. There were far more poor ratings than normal; however, many categories were rated fair or good.

A bright sign in individual categories is the fact that both travel trailers and fifth-wheels were up in new-unit sales for the month—in spite of the fact that both are down in year-to-date figures. Several DAB trailer dealers picked up additional units over last year.

Year-to-date, new motorhome sales for DAB members are still slightly ahead of last year. Pickup campers are doing the best of any type in terms of percentages. In dollars taken in, the 23 DAB members are still ahead of last year—but barely. The less-than-1 percent figure isn't much, but the fact that it is still a plus indicates that experienced, dedicated dealers are generally about where they were last year at this time.

MOTORHOMES

With few exceptions, DAB motorhome dealers were down from the previous November. Some percentage drops were horrendous, but the fact that unit numbers are small makes a drop of three or four in units translate to a drop of 50 percent in percentages.

Most of the larger motorhome specialists (with one exception) held close to last year's figures, but the smaller dealers took their lumps. A possible explanation is that larger dealers keep hammering away with advertising that brings in potential buyers.

An optimistic indicator for motorhomes is that new-unit sales for the year-to-date are still ahead of last year.

Motorhome profit ratings ranged from poor to good.

TRAVEL TRAILERS

It was a refreshing experience; about half the DAB members who stock travel trailers improved their new unit sales over the corresponding month of '84. Used units didn't fare as well. Year-to-date figures indicate that the average dealer is doing better than he really is. Only six DAB trailer dealers are up while 13 are down—some as much as 40 percent. The figures are distorted somewhat because a large trailer specialist on the board had enormously increased his sales.

Trailer profits were rated fair to good.

TRUCK CAMPERS

Figures for both new and used sales in November were exactly what they were for the corresponding month last year. Year-to-date, new unit sales are holding up well. Only three dealers reported new sales during the month. Two rated sales poor and the other rated them excellent.

CAMPING TRAILERS

The large-percentage drop in November reflects a decline of only seven units. The year-to-date figure isn't bad.

It has been an erratic year for DAB camping trailer dealers in general. While a few were up considerably, several others who usually have impressive numbers for the year were way down. Probably more than any other RV type, dealers run hot and cold on their emphasis and efforts on selling fold-downs.

Profits were generally poor.

FIFTH-WHEELS

DAB figures indicate an excellent month for both new and used fiver sales. The unit totals aren't large, but 31 percent for new and 29 percent for used definitely indicates a turn for the better. Dealers who carry a substantial inventory of fifth-wheels did well for the month. Perhaps the "snowbirds" (primary users of fivers) were more optimistic this year than last.

Profits were rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, NOVEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during November 1985 was 23,500 units, down 17.0% from November 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Nov. 1985		Nov. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	2,600	2,800	− 7.1%	52,300	63,000	−17.0%
PARK MODELS	600	600	0%	7,000	6,600	+ 6.1%
FIFTH-WHEELS	1,300	1,200	+8.3%	19,500	18,500	+ 5.4%
TRUCK CAMPERS	400	200	+100%	6,600	7,300	+9.6%
MULTI-USE VEHICLES	11,800	14,500	−18.6%	151,900	162,000	− 6.2%
TYPE A: MOTOR-HOMES	2,400	3,600	−33.3%	31,800	38,900	−18.3%
TYPE B: VAN CAMPERS	400	700	−42.9%	6,200	6,600	− 6.1%
TYPE C: MINI MOTOR-HOMES	1,800	1,800	0%	27,300	31,100	−12.2%
FOLDING CAMPING TRAILERS	2,200	2,900	−24.1%	33,500	38,400	−12.8%
TOTALS	23,500	28,300	−17.0%	336,100	372,400	− 9.8%

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HOW DOES YOURS MEASURE UP?

The First Annual Salary Survey of the

RV BUSINESS

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THE COPYCATS
Robert Longsdorf Jr.

The "sincerest form of flattery" is also the newest form of greed for the imitators, financial and legal problems for the imitated, and difficulties for the consumer.

FIRST ANNUAL RV INDUSTRY SALARY SURVEY
Walter Wentz

Industry-member responses to RVB's survey form the base of this statistical report.

1986 TOWABLES
Don Magary

This year has produced a springtide of new trailers, fivers, pickup campers and fold-downs—all designed to produce happy customers and busy salespeople.

DEALER IMPACT
Howard A. Bach

Here's what eight neighboring dealerships contribute to their community.

AD OF THE MONTH
Ben Sussman

Winnebago looks back to old-time values to bring in up-to-date sales figures with its nostalgia-style ad.

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MANAGEMENT MARQUEE
Simon Schwartz and Richard Kenny

Gerald Haggard, Robert and Doris Hawk, and Lloyd Brown are all businesspeople whose management styles are worth watching.

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Michael Schneider

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MAGARY
Don Magary

MAXWELL
Gaylord Maxwell

GUESTVIEW
Robert Longsdorf Jr.

FISCALINE
John Thompson

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INDUSTRY NEWS
Olga Markowitz

PROFITMAKERS

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Sheryl Harris Davis

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B.N. Langford & Assoc.
Customer Service
Diane Carroll
Field Circulation Dir.
Harry and Rita Appell
Editorial/Business Office
29901 Agoura Rd., Agoura, CA 91301
(818) 991-4980

ADVERTISING
Business Manager
Sherre Thoreson
Advertising Sales
K. Dale Mattox
PO Box 5500, Agoura, CA 91301
(818) 991-4980
Advertising Sales
Ralph Kelsey, 6 Cambria, Laguna Hills, CA 92656
(714) 643-1789

BRANCH OFFICES
General Manager Midwest/ East Operations
Tom Bittle
Midwest Business Manager
Debra Weber
Midwest Advertising Sales
Mike Brazeau, Merijo McDuffee, Frederick Pozeznik, Janet VanBibber
2300 Middlebury, Elkhart, IN 46516
(219) 295-7820
Regional Advertising Manager
Jim Mac, 30400 Telegraph Rd., Ste. 461, Birmingham, MI 48010
(313) 644-3603

Letters

BRAVO!

I received your *RV Business* magazine, and I very much appreciated the beautiful pictures and the original way of showing our ideas *(see "The Future of RV Design," November '85)*.

I send you my best congratulations for your initiative, and I remain with my kindest regards.

G.B. Panicco
Carrozzeria Bertone SpA
Public Relations Department
Torino, Italy

Our company has received your magazine for one full year. This magazine has been very helpful regarding parts; also, your articles are very interesting.

As long as I am in the RV business, I will continue to subscribe to your magazine.

Otto Fiala
Southeast RV
Maple Heights, Ohio

MORE ABOUT. . ..

I would like to see more about the motorhome and tent-trailer rental business. Articles are few and far between. They're the biggest thing happening in the RV business.

Lee Fogel
Anytime Motor Home Rentals
Las Vegas, Nevada

How about an article on closing on payment buyers? And how about covering the payment factor as a closing tool?

Sandy Lee
Burt Subaru
Englewood, Colorado

Please send a list of the Dealer of the Year winners. I would like to utilize these dealers as a reward for their efforts.

Skip Wood
Graeagle, California

The list is on its way, Skip. Watch for details on this year's contest coming soon in our sister publications, Trailer Life, MotorHome and Hi-Way Herald.

CORRECTION

On page 46 of the December '85 issue of RVB, a chart accompanying the article, "The Overseas RV Market," contained some incorrect totals. Below is a corrected reprint of that chart:

Overseas RV Market Statistics 1983/84

	1983			1984		
	Tourers (All towables)	Motorized	TOTAL	Tourers (All towables)	Motorized	TOTAL
Belgium	3,500	100	3,600*	‡	‡	‡
Denmark	4,076*	‡	4,076*	3,448*	‡	3,448*
Eire	3,000*	‡	3,000*	‡	‡	‡
Finland	2,967	50	3,017	3,395	100*	3,495*
France	56,527*	4,099	60,626	47,203	3,922	51,125
Italy	25,790	4,715	30,505	‡	‡	‡
Netherlands	18,502	‡	18,502*	‡	‡	‡
Norway	5,434	‡	5,434*	6,620	‡	6,620*
Sweden	6,373	190*	6,563	6,907	300*	7,207*
Switzerland	2,072	425	2,497	‡	‡	‡
United Kingdom	27,022	2,116	29,138	‡	2,322	2,322*
United States	127,500	69,500	197,000	133,300	82,000	215,300
West Germany	30,250	7,010	37,260	28,495	6,034	34,529

The above figures are not strictly comparable because they are based upon differing sources. These sources are production, registrations, sales and production plus imports minus exports. European figures courtesy of European Caravan Federation; United States figures courtesy of Recreation Vehicle Industry Association.
‡ Statistics Not Available
** Estimates*

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JOHN THOMPSON

FLEETWOOD'S QUARTER

Fleetwood's preliminary sales for the third fiscal quarter ended January 26, 1986, were approximately $263 million, a decline of 8 percent from the $287.8 million in sales recorded in last year's third quarter. Sales for nine months totaled about $889 million, down 6 percent from the $944.5 million achieved in the same period last year. RV sales for the third quarter totaled approximately $139 million, down 25 percent from the $185.7 million in sales reported last year. The company indicated that the quarterly RV sales decline was attributable to decreased motorhome sales. In the current period, motorhome sales amounted to approximately $86 million compared to the $138.7 million reported in last year's unusually strong third quarter. Motorhome revenues last year, however, included a special order valued at $64.5 million from a company dealer for ultimate use by U-Haul International in its motorhome rental fleet. Travel trailer sales during the quarter increased 13 percent, increasing to about $53 million from last year's $47 million. For the nine months, RV sales totaled approximately $468 million, a decline of 13 percent from the $560.9 million registered in the comparable period of fiscal 1985.

WINNEBAGO'S QUARTER

Winnebago Industries reported sales of $81.6 million for the 13 weeks ended November 30, 1985, compared to sales of $95.3 million for the same period of 14 weeks one year ago. Net earnings for the quarter totaled $713,000, or three cents per share, vs. net income of $5.6 million, or 22 cents per share, for the same quarter last year. In making the announcement, Winnebago Chairman John K. Hanson attributed the reduction in sales to the lessened demand for motorhomes, which the RV industry experienced this fall. "Earnings were adversely affected by lower production and sales volume, and by discounts to clean up inventories of 1985 models," Hanson said. "Based upon current conditions, improvement in our business is not expected until spring 1986, when anticipated favorable interest rates and motor fuel prices should have a beneficial impact on our spring and summer market," Hanson explained.

ZIMMER LOSSES FORCE MOBILE TRAVELER SALE

Zimmer Corporation sales for the third quarter ended October 5, 1985, were $39.1 million, down 6 percent from the $41.4 million in sales registered in the previous year's third quarter. Net declined 112 percent to a loss of $43,000 from the previous year's third-quarter profit of $345,000. Nine months' net sales were $114 million, down 12 percent from the $130 million reported in 1984's nine-month period. Net declined 219 percent to a loss of $1.8 million. The company announced that its Mobile Traveler division will be closed and offered for sale in an effort to reverse the overall losses sustained in recent times. *(See page 83 for details.)*

RV Shipment Historical Review By Category

Year	(All) Travel Trailers	Folding Camping Trailers	Truck Campers	Motor-homes Type A	Motor-homes Type B	Motor-homes Type C	Yearly Total
1972	250.8	110.2	105.1	64.6	23.8	28.4	582.9
1973	212.3	97.7	89.8	65.3	27.0	36.7	528.8
1974	126.3	55.2	45.4	26.7	20.8	21.4	295.8
1975	150.6	48.1	44.3	30.3	26.4	39.9	339.6
1976	189.7	53.3	42.0	45.2	36.1	74.8	441.1
1977	167.9	53.9	31.9	43.0	40.8	76.4	413.9
1978	159.8	48.2	24.7	46.6	19.5	91.1	389.9
1979	90.2	31.1	13.8	21.5	3.4	39.2	199.2
1980	52.0	24.5	5.0	9.8	2.4	16.4	110.1
1981	63.8	35.0	5.1	14.3	3.8	17.3	139.2
1982	65.5	34.3	5.7	19.3	3.9	18.0	146.7
1983	90.0	37.5	6.8	34.4	5.6	30.5	203.8
1984	92.4	40.9	7.6	42.1	7.1	32.8	222.9
1985	84.2	34.9	6.7	35.4	6.7	31.4	199.3
1986	92.7	37.5	7.1	39.7	7.3	37.5	221.8
1987	99.1	42.2	7.9	42.9	7.9	42.9	242.9

Actual
Forecast

Source: RV Roadsigns, a quarterly forecast of deliveries of family camping vehicles to RV retailers prepared for members of the Recreation Vehicle Industry Association by John W. DeWolf, economic consultant.

THOR GAINS

For its first quarter ended October 31, 1985, Thor reported sales of $32.7 million, up 42 percent from the previous year's first quarter sales of $23.1 million. Net also rose 30 percent to $1.5 million vs. $1.1 million in the 1984 first quarter. According to Wade F.B. Thompson, president and CEO, "Each division achieved record sales and earning for the quarter. Dealer inventories are at satisfactory levels, and retail sales of our products continue to outperform the industry." Thor recently acquired Traveleze, a California trailer manufacturing company.

IN BRIEF

Carriage Industries Incorporated, a maker of carpeting for RVs and homes, announced that net sales for the second quarter ended December 29, 1985, increased 9.5 percent to $17.8 million compared with $16.2 million in the second quarter of fiscal 1985. For the first half of fiscal 1986, net sales increased 3.2 percent to $36.5 million as against $35.3 million in the first six months of fiscal 1985. ****Bell Industries** reported sales of $68.7 million for its second fiscal quarter ended December 31, 1985, compared with $72.5 million a year earlier. For the six months, sales were $143.8 million vs. $152.1 million. Δ

Before joining RVB as the news editor, John Thompson's byline was widely recognized in all TL publications, including the Book Division. Previously, he was an investment banker with a New York Stock Exchange member firm. He specialized in corporate finance, mergers and acquisitions. He was also a principal in a federally chartered small-business investment company, which funded numerous companies during their transitional stages. In addition to writing regularly for all TL publications, Thompson is the editor and publisher of TL Enterprises' semi-monthly business newsletter, RV Barometer.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	69	70	− 1%	1,310	1,306	+<.05%	52	51	+ 2%	988	1,058	− 6%
TRAVEL TRAILERS	59	42	+40%	1,037	1,057	− 2%	49	40	+23%	947	997	− 5%
TRUCK CAMPERS	13	13	same	205	196	+ 5%	9	8	+13%	158	217	−27%
CAMPING TRAILERS	17	20	−15%	1,495	1,550	− 4%	3	6	−50%	311	246	+26%
FIFTH-WHEELS	20	29	−31%	333	379	−12%	7	6	+17%	103	97	− 6%

	FOR MONTH			YEAR-TO-DATE		
	DEC '85	DEC '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$5,549,284	$5,575,894	−<.05%	$102,821,449	$102,036,445	−<.01%
TOTAL UNIT SALES	298	285	+5%	6,887	7,100	−3%
NEW UNIT SALES	178	174	+2%	4,380	4,488	−2%
USED UNIT SALES	120	111	+8%	2,507	2,612	−4%

For the Dealer Advisory Board (DAB), the year ended in a photo finish with 1984. Sales volume figures for the two years differed less than 1 percent. Unit sales, both new and used, were down just slightly.

December ended much like last year. Total sales volume ended up with less than 0.5 percent difference for the two Decembers; unit sales were up slightly.

Profits were rated the lowest for any month of the year, a typical situation at this time as dealers try to get rid of their most unwanted inventory.

Given the factors of a slightly expanding economy, a low rate of inflation, relatively low and stable interest rates, no oil problems in the foreseeable future and an increasing public awareness of the joys of the RV lifestyle, 1986 should be a decent year for the industry.

Some dealer-inundated areas are really feeling the pinch both in terms of unit sales and particularly in low grosses. Growth in both the number and size of RV manufacturers will undoubtedly exacerbate that situation.

MOTORHOMES

New motorhomes sales in December were down only one unit from the previous December. Used units were up by one. Profits were rated fair to poor, reflecting a "let's get some of those things off flooring" attitude.

For the DAB, 1985 was a repeat of 1984. New-unit sales totals differed by only four units (up less than 1 percent); used units fell slightly. Among individual dealers, there were some considerable increases or decreases.

TRAVEL TRAILERS

Trailers ended the year on a very positive note. New-unit sales in December were up 40 percent for the DAB, and used increased 23 percent. Although profit ratings varied from poor to good, nearly half were good.

Travel trailer sales were disappointing most months of 1985. Recently, however, things have picked up for a few dealers and the averages have come up. Indications are that '86 will be a better year for trailer sales than '85.

TRUCK CAMPERS

In new-unit sales, December '85 was the same as December '84 and all were sold by the same dealer—a camper specialist. Profits were rated excellent. Used units sales fell by one.

New DAB camper sales for the year were up slightly over the previous year. Used sales were down considerably.

There is no reason to believe that camper sales will decline in the coming year. There are, however, several good reasons why they should pick up—not the least of which is the fact that there are a lot of pickups on the road and a camper costs less than a motorhome.

CAMPING TRAILERS

It is axiomatic that fold-down sales boom in June and die in December. This December was exceptional only in that sales were a little deader than they were last December. It is also a given that December profits are poor—a tenet proved true again this year.

Although there are no indications that the coming year will be any better for fold-downs, neither is there any evidence that sales will decline.

FIFTH-WHEELS

Fivers hit a serious snag in December in terms of percentage of decline; the unit numbers aren't impressive. Profits were rated fair to good.

Speculation as to the reason for the decline in this particular RV type would have to include the fact that fifth-wheel trailers are very popular with rural people. Unfortunately, farmers have taken their lumps in the last two or three years.

There are plenty of retirees, however, who can afford fifth-wheels, so there's no reason to believe that sales will suffer in the long run. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, DECEMBER

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during December 1985 was 23,100 units, down 10.5% from December 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Dec. 1985		Dec. 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	2,400	2,600	− 7.7%	54,700	65,600	−16.6%
PARK MODELS	500	600	−16.7%	7,500	7,200	+ 4.2%
FIFTH-WHEELS	1,200	1,100	+ 9.1%	20,700	19,600	+ 5.6%
TRUCK CAMPERS	300	300	0%	6,900	7,600	− 9.2%
MULTI-USE VEHICLES	12,900	13,300	− 3.0%	164,800	175,300	− 6.0%
TYPE A: MOTOR-HOMES	1,800	3,200	−43.8%	33,600	42,100	−20.2%
TYPE B: VAN CAMPERS	500	500	0%	6,700	7,100	− 5.6%
TYPE C: MINI MOTOR-HOMES	1,100	1,700	−35.3%	28,400	32,800	−13.4%
FOLDING CAMPING TRAILERS	2,400	2,500	− 4.0%	35,900	40,900	−12.2%
TOTALS	23,100	25,800	−10.5%	359,200	398,200	− 9.8%

First Annual RV Industry

SALARY SURVEY

How does your compensation package compare?

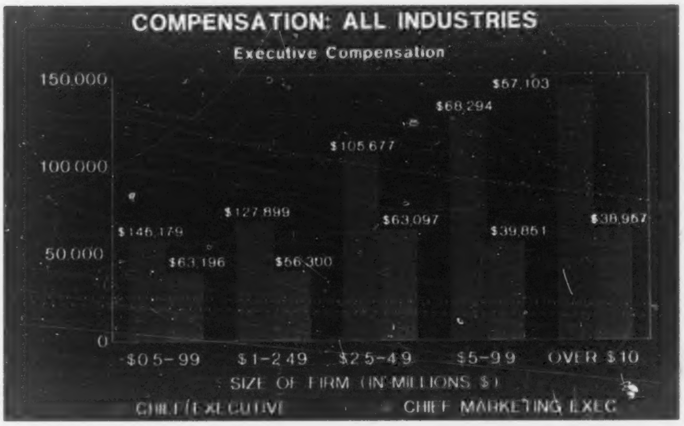
WALTER WENTZ

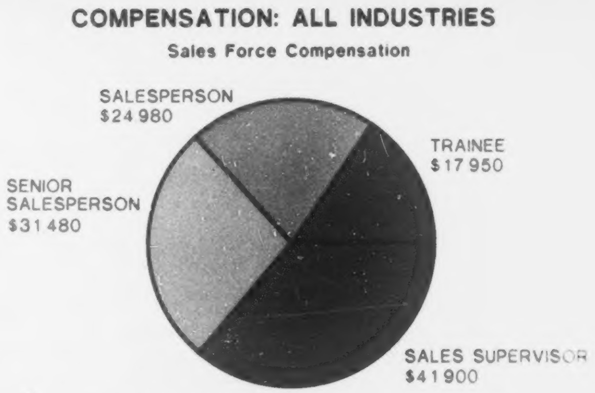
The average American family consists of 3.26 members, earns $24,580 per year, owns 1.29 automobiles, is white, Protestant, and does not vote the straight Republican ticket (1983 data), according to the United States Bureau of the Census. That is a statistically accurate description. It is also pure fiction, for the "average" American family does not exist.

An average, in the jargon of statisticians, is a "measure of central tendency." It is a middle position—sort of a bench mark against which we can judge other objects. Presumably, the objects you are going to judge against our averages are the salaries, commissions and compensation packages you provide your employees.

This article presents a number of averages. The purpose of the survey on which they are based is to provide RV company managers, such as you, with some insight into the wage and salary structure of this industry. Here, industry norms of material compensation are reported without attempting to establish standards.

Table 1





Sources: 1 Inc., Sept. 1985, p. 68.
2 Sales & Marketing Management, Feb. 20, 1984, p. 60, for consumer goods firms.

Material compensation is only one, albeit generally the most important, of the incentives that motivates the work force. Other factors include a feeling of belonging and of doing useful work, confirmation of self-worth, avoidance of boredom, hours of freedom from the house and the family, social contact, friendships, power and recognition. Not only do such incentives get people into the office or plant, but they also influence the workers' affiliation with a particular firm.

Why should you worry about compensation and what your competitor down the street is paying his employees? First, if the compensation is too low, you will lose good people to your rivals. Second, if it is too far above what your competitors are paying, it will lead to higher costs, hence higher prices and fewer sales, shrinking profits that could be used for research or plant renewal necessary to its survival.

With all that in mind, 1600 questionnaires were mailed

GRAPHICS: CUSTOM COLOR VISUALS

SALARY SURVEY *continued*

to a random sample of manufacturers, dealers and suppliers in the RV industry. Of those, 152 were properly completed and returned. Answered anonymously, the questionnaires provided the raw data for the summary statistics shown in this article's tables. Where the statistical sample was too small to be reliable, as with dealers reporting between $8 million and $14.9 million in sales, the tables have been omitted. Salaries, wages and fringe benefits were estimated from the samples representing the populations from which they were drawn.

As with all sample surveys, there is bound to be a bit of error. The data contains random error, which is due to the fact that the samples may not be a mirror image of the populations.

Table 2

DEALERS: UNDER $1 MILLION

(a) MONETARY COMPENSATION

	AVERAGES		
	Salary	**Bonus**	**Total Compensation***
President/Owner	$31,220	$15,720	$35,090
General Manager	24,880	2,500	25,590
Sales Manager	27,090	10,500	29,190
F & I Manager	14,450	10,930	25,380
Service Manager	19,600	4,940	21,350
Parts Manager	15,770	5,480	17,950
Line Mechanic	15,500	600	15,555
Clerk	10,600	5,531	10,990
Lot Staffer	8,390	‡	8,390

	AVERAGES		
	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	18%	$12,650	$25,270

[1] *of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Equity	8%	0%	4%	0%
Medical Insurance	73%	69%	62%	54%
Pension	19%	15%	15%	15%
Life Insurance	19%	19%	12%	15%
Company Car	12%	4%	4%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 3

DEALERS: $1-$2.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
President/Owner	$33,080	$23,330	$46,830
General Manager	32,000	6,000	34,000
Sales Manager	25,840	17,000	27,730
F & I Manager	21,600	‡	21,600
Service Manager	21,460	2,000	21,860
Parts Manager	13,570	†	13,690
Line Mechanic	16,460	1,500	16,760
Clerk	13,200	2,000	13,490
Lot staff	12,990	‡	19,990

	Commission Rate[1]	**Salary**	**Total Compensation**
Salesperson	18%	$10,400	$29,950

[1] *of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Equity	6%	0%	0%	0%
Medical Insurance	53%	41%	35%	35%
Pension	6%	6%	6%	6%
Life Insurance	6%	6%	6%	6%
Company Car	12%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 6

SUPPLIERS: $2-$8.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$71,000	$35,000	$98,611
President	60,970	39,944	83,420
Director of Marketing	42,345	5,333	46,345
Sales Manager	35,600	21,142	52,044
R & D Director	36,000	20,000	42,666
Purchasing Director	26,740	3,620	28,611
Manufacturing Director	41,993	11,625	48,910
Plant Supervisor	25,610	10,016	35,812
Production-Line Supervisor	19,471	2,125	20,685
Production-Line Worker	12,122	1,920	12,666

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	3%	$24,831	$53,135

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	100%	93%	73%	93%
Pension	33%	27%	20%	27%
Life Insurance	20%	20%	13%	7%
Company Car	7%	0%	7%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 7

SUPPLIERS: $9-$20.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$170,877	$30,000	$184,877
President	99,632	41,000	120,132
Director of Marketing	53,100	18,666	64,300
Sales Manager	46,889	14,000	55,299
R & D Director	37,815	13,000	46,481
Purchasing Director	44,693	12,625	52,268
Manufacturing Director	56,288	18,600	67,448
Plant Supervisor	33,253	17,750	42,128
Production-Line Supervisor	20,592	4,000	22,259
Production-Line Worker	13,278	750	13,528

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	3%	$31,650	$46,600

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	100%	100%	100%	100%
Pension	16%	16%	16%	16%
Life Insurance	16%	0%	0%	0%
Company Car	16%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Bias also exists, which is the error induced by respondents who, for whatever reasons, may not have been completely accurate in their report. We tried to cull the bad questionnaires—the ones that clearly contained erroneous data. These were few and presumably were caused by misunderstanding, not malicious intent. Both random error and some bias are inevitably still in our data, but they are unlikely to be large.

Some important factors must be considered while studying the accompanying tables. For instance, the numbers reported by the survey respondents varied considerably. A president's salary for a dealership with $1.0 million to $2.9 million in annual sales averaged $46,830 in total compensation. But the actual figures from which that average was determined varied from a low of $15,000 to a high of $58,000.

Job classifications were narrowly defined. In contrast, the actual responsibilities for a given position can vary from company to company.

The bonus data is based on only the respondents reporting bonuses. Hence, the total compensation does not equal salaries plus bonuses.

How can you use this information effectively in business?

First consider the data in terms of the entire material compensation package received by each of your employees. This

continued on page 101

Table 4

DEALERS: $3-$7.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
President/Owner	$61,080	$18,000	$68,200
General Manager	37,530	14,000	44,800
Sales Manager	26,250	13,000	27,750
F & I Manager	†	†	†
Service Manager	19,960	9,300	27,230
Parts Manager	19,000	11,750	24,880
Line Mechanic	17,300	1,000	17,550
Clerk	11,450	‡	11,450
Lot staff	12,000	‡	12,000

	Commission Rate[1]	**Salary**	**Total Compensation**
Salesperson	20%	$ 7,800	$29,670

[1] *of gross profit*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Equity	0%	0%	0%	0%
Medical Insurance	70%	70%	70%	70%
Pension	17%	17%	17%	17%
Life Insurance	17%	17%	17%	17%
Company Car	0%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 5

SUPPLIERS: UNDER $2 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$59,967	$15,000	$67,467
President	53,656	13,000	56,544
Director of Marketing	33,080	4,600	34,920
Sales Manager	32,350	5,300	34,117
R & D Director	30,000	‡	30,000
Purchasing Director	24,592	1,500	24,792
Manufacturing Director	33,714	3,783	37,479
Plant Supervisor	25,870	5,000	26,370
Production-Line Supervisor	18,101	1,470	18,574
Production-Line Worker	13,677	913	14,599

‡ No data reported.

	Commission Rate[1]	**Salary**	**Total Compensation**
Salesperson	7%	$30,000	$23,270

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	84%	84%	37%	79%
Pension	42%	37%	21%	37%
Life Insurance	36%	32%	16%	26%
Company Car	21%	5%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 8

SUPPLIERS: $21-$49.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$163,125	$45,000	$270,000
President	158,667	60,000	198,667
Director of Marketing	54,100	20,600	74,700
Sales Manager	51,600	35,000	69,100
R & D Director	41,350	20,000	51,350
Purchasing Director	44,120	24,000	58,520
Manufacturing Director	51,050	21,250	69,800
Plant Supervisor	29,000	5,000	32,750
Production-Line Supervisor	18,667	2,900	20,600
Production-Line Worker	11,924	400	12,004

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	4.19%	$28,025	$73,667

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	71%	71%	71%	71%
Pension	14%	14%	14%	14%
Life Insurance	0%	0%	0%	0%
Company Car	14%	14%	14%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 9

SUPPLIERS: $50+ MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$99,000	$56,250	$155,250
President	93,000	36,000	129,000
Director of Marketing	67,558	20,166	84,844
Sales Manager	46,167	6,450	51,696
R & D Director	53,795	2,400	54,395
Purchasing Director	41,731	4,667	44,064
Manufacturing Director	57,941	6,933	61,101
Plant Supervisor	28,571	3,250	34,285
Production-Line Supervisor	23,227	1,125	23,870
Production-Line Worker	18,413	538	18,592

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	3.09%	$23,380	$65,200

**of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	78%	78%	56%	89%
Pension	67%	67%	44%	44%
Life Insurance	44%	44%	33%	33%
Company Car	0%	0%	0%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

† Inadequate data supplied *‡ No data supplied*

SALARY SURVEY

from page 57

would include salary, bonus or commission, paid vacation and sick leave, medical and life insurance, and such perks as a company car and the personal use of such company assets as a recreational vehicle.

Then tally your material compensation package and compare it with the sum of the compensation elements in the table appropriate for your company. A small adjustment of regional differences may be necessary. For example, a California firm might be expected to pay more than a comparable firm in Mississippi. Regional business practices and differences in the cost of living justify such differentials.

If the package is within 15 percent of the average, then your company is "in the ball park." If not, there may be a problem requiring further study.

How compensation is allocated is important. For instance, should more resources be shifted away from salaries and into incentives? Should incentives apply to everyone in the firm, including clerical help and assembly-line personnel? Should more emphasis be placed on compensation components that are tax-free to employees, such as better insurance coverage? In summary, can more mileage be obtained from the money your company currently spends on employee compensation?

If changes in your company's compensation program are determined to be in order, it is wise to give thought to including your employees—especially the managers—in the compensation design process. Their ideas are valuable and should be solicited. For instance, ask your people if they'd prefer better health insurance at the expense of a lower salary. And, once the new plan is in place, explain it to your employees. They will be especially interested in knowing how the plan was determined and how they can make more money through advancement or through more productivity in their current position.

Additional compensation data is available at local state employment offices and libraries. Broad-based business publications, such as *Inc.* and *Sales and Marketing Management*, periodically publish salary data. We recommend that a couple of these other sources be investigated in addition to the material presented here before any radical changes are made in your company's compensation plan. Then, it is wise to carefully review that plan annually. *RV Business* will be there to assist with your *next* annual salary survey. Δ

Table 10

MANUFACTURERS: UNDER $5 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$48,512	$ 9,360	$54,362
President	47,108	10,200	54,716
Director of Marketing	35,037	12,521	45,993
Sales Manager	28,571	5,300	31,600
R & D Director	20,000	‡	20,000
Purchasing Director	20,189	7,867	22,334
Manufacturing Director	30,050	8,215	32,788
Plant Supervisor	24,939	4,942	25,924
Production-Line Supervisor	19,249	1,772	20,219
Production-Line Worker	15,061	3,470	15,653

‡ *No data reported*

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	2.25%	$11,322	$28,523

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	72%	72%	45%	59%
Pension	9%	5%	0%	0%
Life Insurance	18%	23%	9%	23%
Company Car	14%	5%	5%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

† *Inadequate data supplied* ‡ *No data supplied*

Table 11

MANUFACTURERS: $5-$14.9 MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$71,300	$42,428	$101,250
President	72,333	40,000	92,333
Director of Marketing	36,333	24,883	62,866
Sales Manager	36,769	8,200	50,800
R & D Director	24,950	5,400	27,675
Purchasing Director	29,485	6,714	33,100
Manufacturing Director	39,755	9,166	46,650
Plant Supervisor	32,300	11,272	40,069
Production-Line Supervisor	22,756	4,756	23,317
Production-Line Worker	15,958	2,609	16,670

	Commission Rate[1]	**Salary**	**Total Compensation***
Salesperson	4.5%	$20,890	$39,908

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	93%	93%	93%	73%
Pension	33%	33%	20%	27%
Life Insurance	20%	20%	20%	20%
Company Car	13%	7%	7%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

Table 12

MANUFACTURERS: $15-$100+ MILLION

(a) MONETARY COMPENSATION

	AVERAGE		
	Salary	**Bonus**	**Total Compensation***
CEO	$114,444	$82,956	$196,733
President	111,153	76,125	161,903
Director of Marketing	60,444	33,843	77,690
Sales Manager	41,000	35,000	63,000
R & D Director	55,500	17,450	64,225
Purchasing Director	37,950	9,667	44,468
Manufacturing Director	56,118	25,727	71,693
Plant Supervisor	32,958	9,043	39,243
Production-Line Supervisor	23,763	5,227	27,468
Production-Line Worker	12,149	4,933	14,762

	Commission Rate[1]	**Salary**	**Total Compensation**
Salesperson	1%	$24,090	$46,100

[1] *of sales*

(b) NONMONETARY COMPENSATION

	PERSONNEL			
	Exec./Mgmt.	**Salaried**	**Sales**	**Hourly**
Medical Insurance	89%	89%	78%	78%
Pension	44%	44%	44%	44%
Life Insurance	56%	56%	56%	56%
Company Car	22%	0%	11%	0%

**Does not equal salary plus bonus; bonus data are only for firms paying a bonus.*

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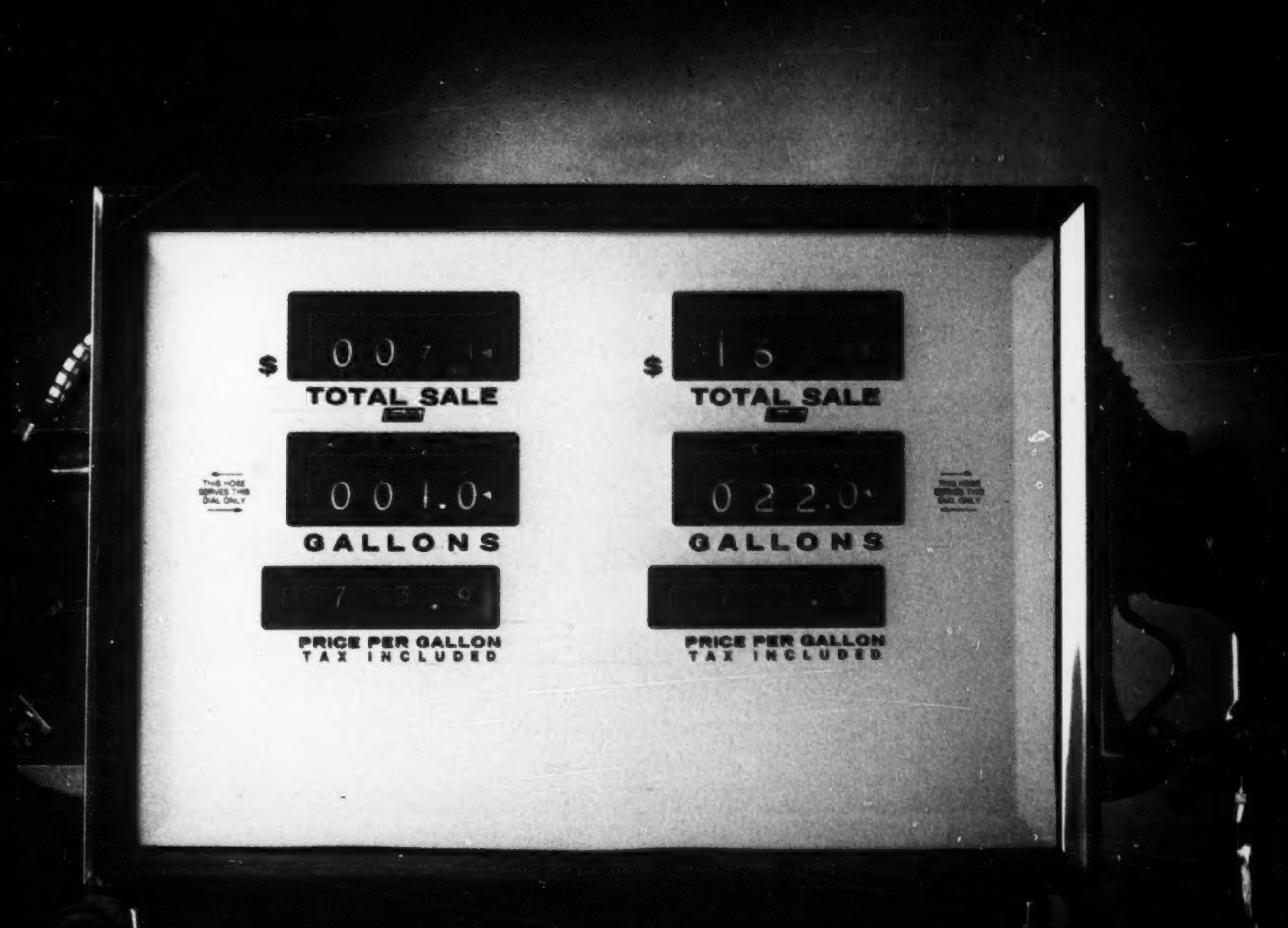
RV BUSINESS

APRIL 1986 $2.00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WILL FALLING PRICES PUMP UP RV SALES?

RV BUSINESS

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Jayco borrows from such illustrious names as Benjamin Franklin, Norman Rockwell and the *Post*, to produce this month's ad.

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ON THE COVER: As the travel season approaches, RVers are pleasantly surprised to see old-time gasoline prices on today's pumps. Prices as low as 88 cents per gallon have been reported as of presstime, and it's anybody's guess where they will bottom out. Analysts and industry members speak out as to how they believe it will affect the RV business, beginning on page 32. Gas pump supplied by Petroleum Dynamics Incorporated. Photo by Paul Pribble.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JAN '86	JAN '85	% CHANGE	1986	1985	% CHANGE	JAN '86	JAN '85	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	99	86	+15%	99	86	+15%	57	73	− 22%	57	73	−22%
TRAVEL TRAILERS	70	44	+59%	70	44	+59%	52	44	+ 18%	52	44	+18%
TRUCK CAMPERS	14	10	+40	14	10	+40%	4	4	same	4	4	same
CAMPING TRAILERS	72	74	− 3%	72	74	− 3%	13	6	+116%	13	6	+116%
FIFTH-WHEELS	23	20	+15%	23	20	+15%	5	8	−38%	5	8	−38%

	FOR MONTH			YEAR-TO-DATE		
	JAN '86	JAN '85	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$6,885,252	$6,466,787	+ 6%	$6,885,252	$6,466,787	+ 6%
TOTAL UNIT SALES	409	369	+10%	409	369	+10%
NEW UNIT SALES	278	234	+19%	278	234	+19%
USED UNIT SALES	131	135	− 3%	131	135	− 3%

If January sales for RVB's Dealer Advisory Board (DAB) are an accurate indicator of what RV sales will be in 1986, then the industry should rejoice. It was a decidedly up month in both dollars taken and in unit sales.

In new-unit sales, four of the five RV categories showed increases over last January. Used units didn't fare quite as well, but the drop was slight. DAB dealers ran up more dollars, too. A 6 percent increase isn't earthshaking; however, the fact that it is better than last January is reason for optimism.

Not all DAB members reported positively. In fact, one large multitype dealer reported the poorest month in three years. Eight others reported sales down from the previous January.

All sales volume decreases, however, did not mean corresponding decreases in gross profits. For example, one large motorhome specialist reported a decrease of $300,000 in sales, but no drop in gross profits. Profit ratings were in the fair to good ranges, but every category got at least one excellent rating.

Used-unit sales were down slightly from last January, primarily due to a sharp drop in sales by three DAB members who specialize in motorized units.

The combination of more unit sales, more dollars taken in and a good gross profit picture at the dealer level—coupled with lower oil prices and a growing economy—are factors that strongly suggest this will be a good year.

MOTORHOMES

With one exception, most multitype dealers who stock motorhomes did about the same as last January in new-unit sales. The exception wholesaled a closed-out line, which inflated his sales figures for the month. Among the large specialists, no one increased sales over last year and a couple of them reported decreases, one of them dramatic. Overall, however, motorhome dealers on the DAB more than held their own.

Profits were generally reported good.

TRAVEL TRAILERS

Dealers of travel trailers had more than their share of problems last year. We are hopeful that the excellent increase over last January in new-unit sales presages a change from the difficulties encountered in '85.

Most dealers on the DAB shared in the upswing. Of the 19 who stock this RV type, only 4 fell below last year's January new-unit sales tally. No one had an explanation for the turnaround. Used units moved better than they did last January, too.

Profit ratings were equally divided between fair and good.

TRUCK CAMPERS

Only our camper specialist on the DAB reported new-unit sales for the month, and they were up considerably from last year. Used units were the same as last January.

Profits on new units were rated excellent.

CAMPING TRAILERS

The two-unit drop in new sales from last January is not significant; however, of the five RV types measured here, it is the only one with a decrease from last year. DAB dealers who deal heavily in this type reported mixed results.

The huge percentage increase in used is based on too few units to be very meaningful, but the fact that nine dealers sold used fold-downs this year vs. only four last year suggests that more dealers are taking them in trade.

Profits were very mixed.

FIFTH-WHEELS

After a struggle that left new fiver sales the leading loser among all RV types in our report last year, a 15 percent increase in new-unit sales looks good to start out the new year. The numbers are small, but the profits were good.

The large percentage drop in used units is based on too few units to be significant. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, JANUARY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during January 1986 was 32,200 units, up 11.4% from January 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Jan. 1986		Jan. 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	5,400	4,500	+20.0%	5,400	4,500	+20.0%
PARK MODELS	800	500	+60.0%	800	500	+60.0%
FIFTH-WHEELS	2,100	1,600	+31.3%	2,100	1,600	+31.3%
TRUCK CAMPERS	400	400	0	400	400	0
MULTI-USE VEHICLES	15,100	13,400	+12.7%	15,100	13,400	+12.7%
TYPE A: MOTOR-HOMES	2,500	3,200	−21.9%	2,500	3,200	−21.9%
TYPE B: VAN CAMPERS	600	500	+20.0%	600	500	+20.0%
TYPE C: MINI MOTOR-HOMES	1,800	2,200	−18.2%	1,800	2,200	−18.2%
FOLDING CAMPING TRAILERS	3,500	2,600	+34.6%	3,500	2,600	+34.6%
TOTALS	32,200	28,900	+11.4%	32,200	28,900	+11.4%

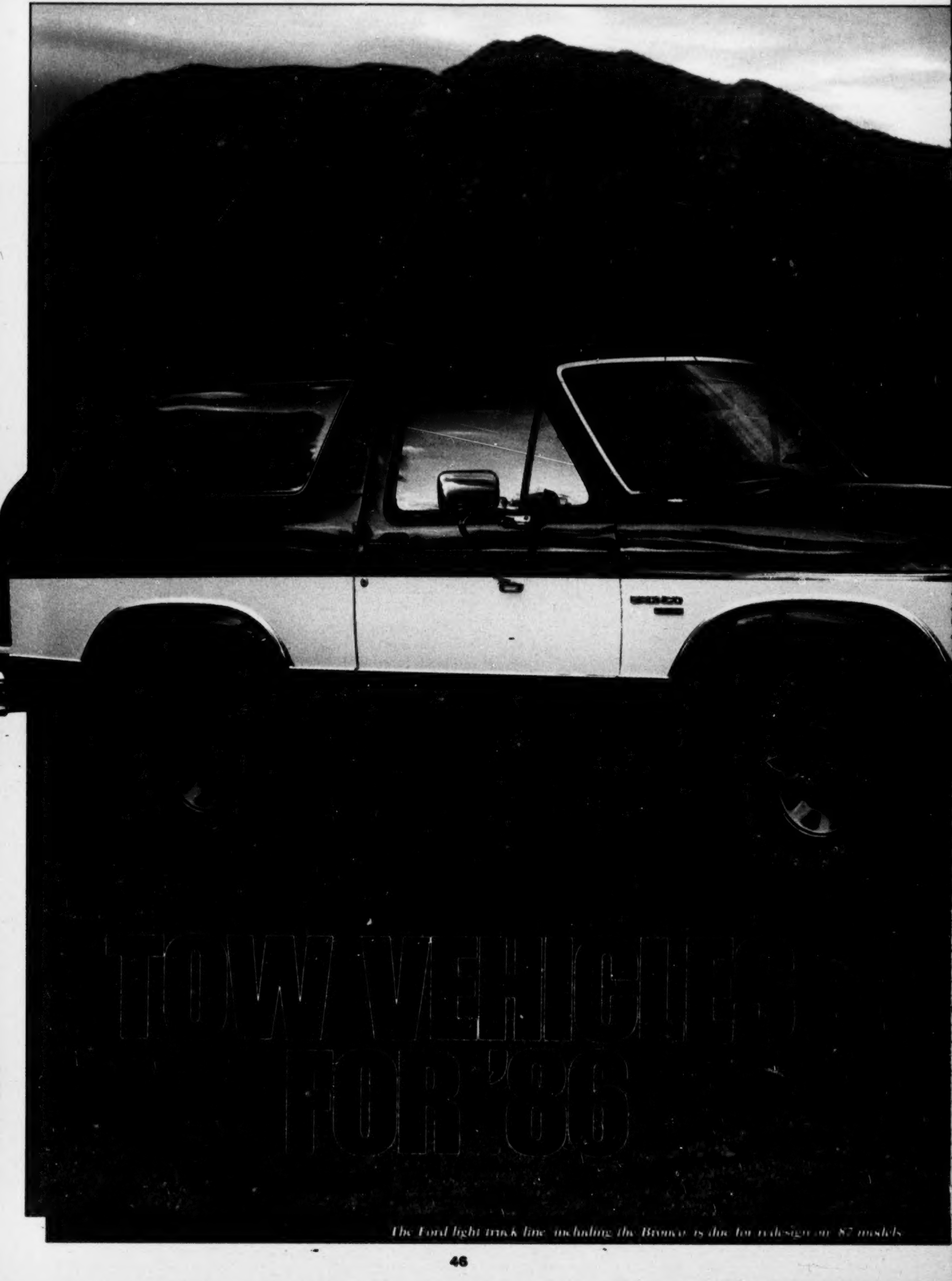
WDA QUARTERLY SALES FIGURES

RV Business publishes a quarterly report of sales statistics from the Warehouse Distributors Association (WDA). The chart shown here is based upon a representative sampling of WDA members, as compiled in the fourth quarter of 1985. While these statistics are not intended to be fully indicative of the sales volume among distributors in the RV and MH industries, they are presented here as an insight into the supplier/distributor industry.

SALES VOLUME

	FOURTH-QUARTER SALES VOLUME	
	PERCENT CHANGE 1984 to 1985	**RANGE OF CHANGE**
REGION 1	+11.9%	+28.3% to −31.4%
REGION 2	+23.1%	+32.4% to − 2.6%
REGION 3	− 1.0%	+36.2% to −30.0%
REGION 4	− 4.0%	+40.9% to −38.7%
REGION 5	+ 3.1%	+24.7% to −36.0%
REGION 6	+27.1%	+57.6% to − 3.2%

Region 1: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, West Virginia and Washington, D.C.; **Region 2:** Alabama, Florida, Georgia, Mississippi, North and South Carolina, and Tennessee; **Region 3:** Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North and South Dakota, Ohio and Wisconsin; **Region 4:** Arkansas, Colorado, Kansas, Louisiana, Oklahoma, New Mexico and Texas; **Region 5:** Alaska, Arizona, California, Hawaii, Idaho, Montana, Nevada, Oregon, Utah, Washington and Wyoming; **Region 6:** Canada.



TOW VEHICLES FOR '86

The Ford light truck line, including the Bronco, is due for redesign on '87 models.

Jeep J-10

GMC Safari

Ford Aerostar

This year's bid for customers offers choices from sporty mini pickups to full-size vans—even a $50,000 luxury 4WD

ELLIS TRANTOR

New models, new styles, new power—these are the driving forces behind the expected growth in light-truck popularity during the next five years. RVers interested in tow vehicles are certain to be attracted by what they see, and they will see them everywhere and in nearly every automotive manufacturer's lineup.

FORD TRUCKS

Ford is bringing out a new F-series of full-size pickups this fall, as well as a more modern Bronco built on the same chassis. The Bronco will also share components with the F-series.

The '87 Ford pickups will feature new grilles, new bumpers, new tailgates and other styling changes. Inside, they'll have upgraded instrument panels, and new seats and trim. Overall, the trucks will look more modern, but enough sheet metal is being continued to make them look familiar to longtime truck buyers. Appearance changes won't be as radical as in 1980.

The biggest news for RVers is in the engine/powertrain improvements. The base 4.9-liter six-cylinder engine—standard in the Bronco, Econoline Van and Club Wagon, and full-size pickups—is being fuel injected. Its current horsepower will increase by about 15 percent (exact numbers aren't final yet). Torque will increase by 5-10 percent over the current 250 lb-ft at 2000 rpm. And fuel economy will improve by at least 10 percent, according to company estimates.

Equally dramatic will be Ford's fuel injection of its big 7.5-liter V-8 engine in January '87. That engine is used in large pickups, stripped chassis and Econoline vans—all Ford light trucks, in fact, exceeding 8500 pounds gross vehicle weight rating (gvwr). Current horsepower is expected to increase from 245 to approximately 275 horsepower (hp). Fuel economy will increase by about 15 percent.

The company has not had any complaints about the power of the engine as

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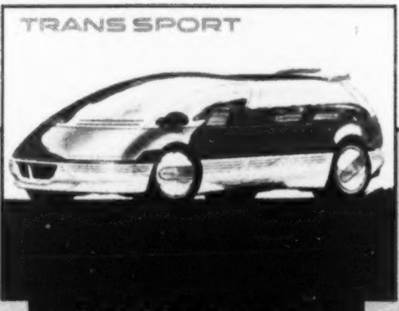

Pontiac's futuristic concept vehicle is in the works for '89.

TRUCK SALES OUTLOOK

Light trucks are becoming "must" vehicles for an increasing number of people, particularly RVers. They offer the roominess and towing capability fading in cars, and a flexibility and durability uniquely their own. New models being introduced are heavily biased toward traditional car luxury and comfort, making the switch to trucks that much easier.

General Motors, in fact, predicts that throughout the next three to four years, several hundred thousand more people will switch from cars to pickups, vans and sport utility vehicles, continuing a trend that's been going on for some time. Fuel economy standards alone are limiting the number of traditional big cars Detroit can build, and pushing people into trucks.

Currently, Detroit manufacturers are only building about 800,000 rear-drive full-size cars. Their production, at one time, ran into the millions. Consider that in 1979, Ford had five plants building big Fords and Mercurys, whereas today, it has one. That has been a general kind of trend throughout the industry.

Ford is only turning out a little more than 250,000 of its rear-drive standard-size cars, and another 125,000 of its big Lincoln Town cars. Meanwhile, GM is down to about 425,000 of the full-size rear-drive models still left in its lineup. They include big Chevys and Pontiacs, the Cadillac Brougham and station wagon versions of the big Olds and Buick.

Meanwhile, manufacturers keep bumping up their ability to build trucks. In 1987, Chrysler is dropping its intermediate-size rear-drive cars from where they're currently built, to make room for more Caravan/Voyager production.

It may be the end of the Dodge Diplomat and Plymouth Gran Fury, but Chrysler's minivan-building capability will soar to 300,000 yearly. This spring, the Ford Division will start producing about 100,000 more Ranger pickups yearly, and expects to sell more trucks than cars this year. AMC will be able to build more Jeeps this year and Chrysler more pickups.

Last year, almost 4.5 million light trucks were sold compared to 3.9 million the year before, according to Motor Vehicle Manufacturers Association and individual company reports.

After several years of strong auto industry sales, the market is starting to taper off. But, even if truck sales don't exceed last year's levels, the ratio of trucks to cars sold is expected to continue increasing.

Full-size pickup truck demand is expected to be off this year because of the continuing popularity of smaller pickups. The decline is expected in the lower half-ton segment where buyers are most likely to switch over to compact pickups, which have almost as much power and very attractive prices. Jeep's Cherokee, which came out last fall, and Chrysler's new Dakota, due this fall—along with more powerful V-6 Nissan models, etc.—are all having some effect on half-ton conventional pickups.

Three-quarter and one-ton demand is expected to hold steady, particularly in view of declining fuel prices. All of the big trucks, in fact, will benefit from attractive fuel prices.

Overall, manufacturers sold about 1,283,000 full-size pickups last year, and that will drop by about 50,000 or more in 1986.

Full-size pickup demand will likely stay fairly stable during the next several years. Aside from fuel prices, the newly restyled Ford and GM pickups, with their better economy and power *(see accompanying story)*, will help give a lift to this market segment.

Compact pickups, helped by heavy competition that has held their prices down, should equal last year's levels, unless there is a serious drop in the overall market. A little more than 1.3 million were sold last year with just about everyone except Mazda, turning in record sales. (Mazda was getting rid of some old models, and bringing in newly restyled ones, which threw it off its pace.)

The low-rate financing, buying incentives and low prices (starting at a little more than $6000) have been important to the success of small pickups. And Detroit executives expect them to continue because of heavy competition among manufacturers and their desire to keep production lines humming at full tilt.

There's little growth left in small pickups in the future, though, because every manufacturer who wanted to get into this market is already there (except Chrysler, which has only had Mitsubishi pickups to sell so far). Every style of small pickup that can be offered—from 2WD and 4WD to short- and long-wheelbase units to regular and extended-cab models—is already available.

For many people, small pickups have been simply low-cost transportation. About 40 percent of the two-wheel-drive models are sold in the low price range. To some degree, they will have to compete with less expensive cars from eastern Europe and Korea.

The most exciting prospects lie in minivans and compact sport utilities. Near term, minivans have the upper-hand. Further down the road, though, compact sport utilities are expected to seriously challenge them as more new four-door models from Detroit, and more high-tech and high-comfort Jap-

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TOW VEHICLES

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it is now. Insiders describe the upgraded engine as an awesome performer, but, overall, Ford is trying to bias the engine more toward fuel economy than power to meet future economy regulations.

Both Ford engines will get multiport fuel injection (one injector for each cylinder) with all the typical benefits of that system, including better emissions, quicker starts and smoother operation under different engine and outside temperatures.

A major appeal for safety-minded RVers will also be the new anti-lock braking system, an industry first for light trucks, which Ford plans to standarize on big pickups, Bronco and Bronco II this fall. These are basically two-wheel systems that will control rear braking. Essentially, anti-lock systems help prevent a truck from going into a skid or out of control during emergency braking or on slippery roads. They'll be added to other Ford trucks in the future.

Truck prices are expected to go up a bit, but some of the cost will be absorbed because of the quantities in which Ford is buying these systems and by the number of truck buyers it expects the system to convert to its ranks.

The new pickups and Bronco will also have other functional improvements, such as redesigned caster/camber to improve wheel-alignment control.

GENERAL MOTORS TRUCKS

GM, on the other hand, is going in for a much more dramatic effect, slimming its 1987 pickups down by 500-700 pounds. They are scheduled to go on sale about six months after Ford's. The new trucks are just as roomy as previous models, but have the round, sloping kind of aerodynamic look already seen on cars. Company insiders point out that, with today's technology, you don't need a big, massive-looking truck to have durability and strength. Fuel economy will improve by 2 or 3 mpg from weight reduction alone.

GM plans to upgrade its 1987 truck engines with fuel injection. It now has single-point (only one or two injectors where the carburetor used to be) on some models. Examples are the 2.5-liter 4-cylinder Astro/Safari vans and Chevy S-10/GMC S-15, the 2.8-liter V-6 in Chevy S-10/GMC S-15 pickups and the 4.3-liter V-6 in Chevy El Camino/GMC Caballero and Astro/Safari.

Jeep's Wrangler is due sometime this spring.

VW's Vanagon Camper Syncro is also expected this spring.

Pinzgauer's $50,000 luxury offroader is due this summer.

GM plans at least one 4WD model van within four years.

In 1987, all GM engines in trucks less than 10,000 pounds gvwr will be fuel injected, including the 5.0-liter V-8, the 5.7-liter V-8 and the 7.4-liter V-8. On trucks exceeding 10,000 pounds gvwr, the 5.7-liter and 7.4-liter V-8. On trucks exceeding 10,000 pounds gvwr, the 5.7-liter and 7.4-liter V-8s will continue being carbureted.

Generally, torque and horsepower on the new engines will increase, but exactly how much hasn't been determined yet. Changes in the camshaft and exhaust systems will affect horsepower and torque ratings.

Drivability and fuel economy will improve. Economy improvements in the engine (aside from those gained in lightening the vehicle) of 2-5 percent are anticipated. Serviceability will improve with the simplification of such things as hoses and controls. Engine performance, particularly in high-altitude areas such as Denver, will also improve.

GM also plans to offer anti-lock braking systems, if not immediately with the introduction of its new trucks then shortly afterward. Although the systems are available, they have never been mass produced. GM, which is currently shopping companies and comparing costs for the systems, wants to make sure they're safe, troublefree and not too pricey for consumers.

Although the Chevy Blazer and GMC Jimmy share componentry with the big pickups, they won't get big styling changes or trimmer bodies in 1987. As indicated, engines and powertrains, and other functional changes will be made, but a major restyling is further down the road.

NISSAN MINIVANS

Fueling the popularity of minivans are the many new entries on the way. Nissan, for example, plans a rear-drive seven-passenger minivan by the end of 1986. Similar in size to Toyota's, it will be available only in a passenger model.

CHEVROLET/PONTIAC MINIVANS

In 1989, Chevrolet and Pontiac will offer new, passenger-model-only, front-drive, plastic-bodied minivans. They'll be very sportily styled and may offer a new aluminum engine. An aluminum V-6, in fact, is a distinct possibility within the next couple of years. Officials plan to sell approximately a quarter-million of the new vans yearly.

Astro-Safari vans will continue being

TOW VEHICLES
continued

popular with RVers, though, because of their greater suitability for towing.

CHRYSLER/DODGE MINIVANS

Look for 1½-foot longer versions of Caravan and Voyager in mid- to late-1987, providing extra legroom and luggage area, which is a bit cramped in current seven-and eight-passenger models. They will offer a more powerful Mitsubishi-imported V-6, and greater towing ability.

A smaller and more narrow Chrysler-built minivan is also in the works for 1988. It basically will be a people-carrier, sporting the pillarless styling now seen on the Nissan Sentra wagon.

FORD/LINCOLN-MERCURY MINIVANS

Ford, of course, is going to match its competitors with a new front-drive minivan of its own. It will be narrower than the current Aerostar, and will be offered in both Ford and Lincoln-Mercury styles. It's due in about four years.

AMC VAN

Not one to be left out, American Mo-

CALENDAR YEAR LIGHT-TRUCK SALES

Retail deliveries by Detroit and Importers

	1985	1984	1983	1982	1981	1980
COMPACT PICKUPS	1,328,000	1,144,000	913,000	774,000	509,000	518,000
SEDAN PICKUPS*	24,000	26,000	26,000	25,000	37,000	50,000
FULL-SIZE PICKUPS	1,283,000	1,211,000	1,019,000	972,000	990,000	1,094,000
COMPACT VANS	478,000	257,000	31,000	13,000	11,000	13,000
CLASS C MOTORHOME CHASSIS	56,000	52,000	39,000	28,000	23,000	25,000
FULL-SIZE VANS	473,000	488,000	478,000	371,000	308,000	324,000
COMPACT SPORT UTILITIES	539,000	429,000	247,000	42,000	33,000	50,000
CLASS A CHASSIS, WALK-IN VANS**	52,000	60,000	48,000	33,000	27,000	19,000
OFFROAD STATION WAGONS***	95,000	86,000	69,000	55,000	38,000	39,000
REGULAR SPORT UTILITIES****	137,000	132,000	106,000	88,000	77,000	111,000
TOTAL	4,465,000	3,885,000	2,976,000	2,401,000	2,053,000	2,243,000

* *Sedan pickups include Chevy El Camino, GMC Caballero.*
** *Also referred to as "Forward Controls" vehicle group.*
*** *Offroad station wagons include Chevy/GMC Suburbans and Jeep Grand Wagoneer.*
**** *Regular sport utilities include vehicles such as Ford Bronco, Dodge Ramcharger and Chevy Blazer.*

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TOW VEHICLES
continued

tors has been looking for a foreign company to build a van for it. The Espace van, which AMC planned to bring in from Renault, is just about a dead issue because it couldn't be brought in at an attractive enough price to compete in the United States. Company officials admit to combing Asian countries, such as Japan and Korea, for a van to import.

VARIOUS 4WD VANS

On top of the 2WD vans, 4WD models are also going to be coming out. Nissan's Stanza Wagon and Volkswagen's new Vanagon Syncro, which are both due to go on sale this spring, are already in the 4WD van market.

Detroit manufacturers such as Chrysler and Ford, which both have test models running around, are still evaluating potential demand. GM sources say there's a definite place for "traction control" vans, geared to family safety in all weather conditions. At least one 4WD GM van is expected within the next four years.

> *These "ditch jumpers and stump pullers" are expected to become as popular as minivans.*

VOLKSWAGEN VANS

The Volkswagen Syncro will carry a starting price of $15,315. Normally, a 4WD system costs a couple of thousand dollars, but VW decided to sell only luxury Syncros in the beginning.

Aside from the GL version, there are Camper and GL Camper versions as well. The Syncro Camper, VW believes, will be the most popular of the three. VW is still feeling its way around the market, and only plans to bring in about 500-1000 Syncros to test the market this year.

The Syncro is about 300 pounds heavier and an inch higher than the regular Vanagon. It has bigger wheels and a larger gas tank. Its four-wheel-drive system is full time. It grabs hold whenever the rear wheels start slipping or starts turning 6 percent faster than the front wheels (or vice versa.)

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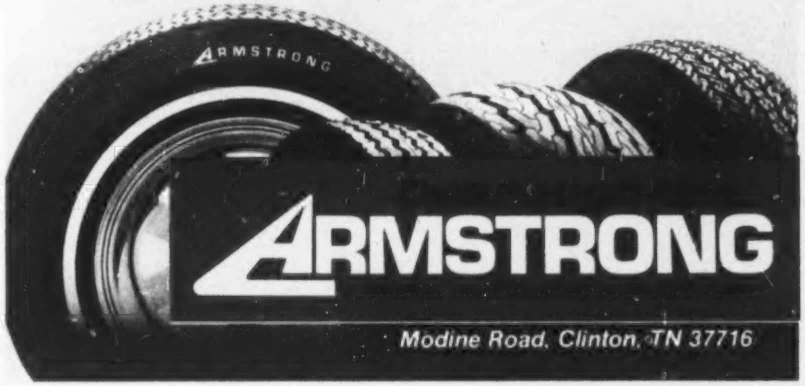

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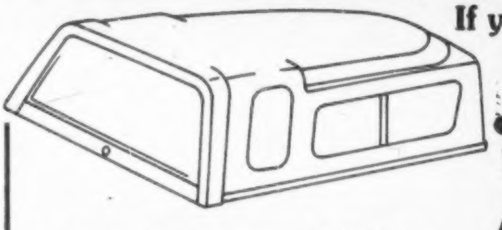

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TOW VEHICLES

continued

ferred to by the people who build them, are expected to become as popular as minivans in a few years.

Probably, the biggest thing driving their popularity will be the new four-door compact versions of Bronco II and Chevy S10-Blazer expected by 1989. They will solve what has been the offroad vehicle owner's biggest gripe: having to crawl into and back out of the rear seat.

Right now, the only four-door compact offroader is Jeep's Wagoneer, and it has been so successful that Jeep keeps raising its sales sights.

Some of the Japanese offroad vehicles are a bit too rough-and-tumble for the average driver. As they are redesigned for more comfort, and as additional new models are brought in, they will broaden the market as well.

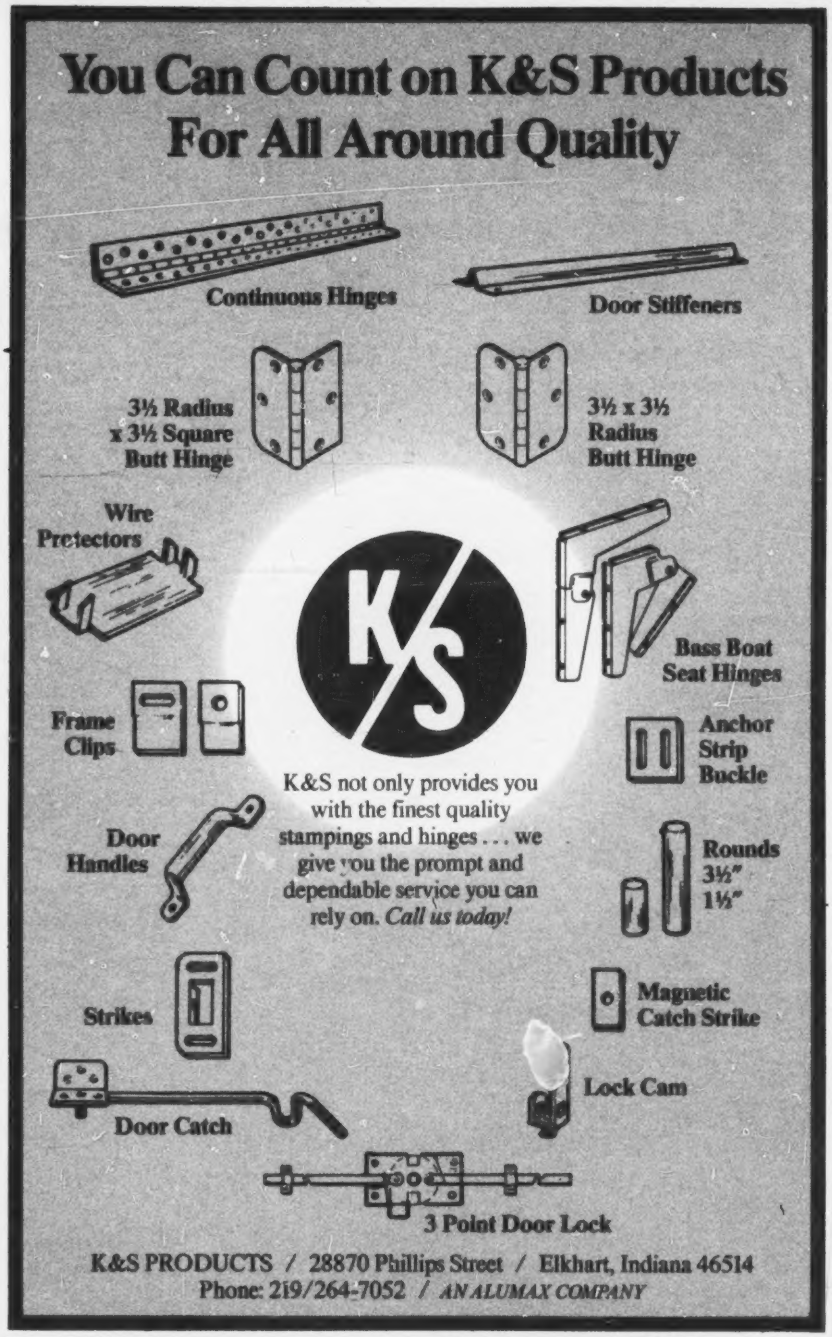
> *Some Japanese offroad vehicles are too rough-and-tumble for the average driver.*

Currently, Mitsubishi sells Montero, and Chrylser plans to bring in a version of that Japanese vehicle this fall. Nissan also confirmed plans to bring in a totally new, not-yet-sold-anywhere, compact sport utility by the end of '86. It will feature the routine kinds of things—a part-time 4WD system, two-door design and V-6 engine—but is also expected to be tailored to United States comfort.

Aside from the Montero and the Toyota 4Runner, the Suzuki Samurai, introduced late last year, is still growing in popularity. And American Motors has a new Wrangler replacement for its discontinued CJ going on sale this spring. It has the "shift-on-the-fly" capability of other Jeep models, a tuned, smooth suspension and the 2.5-liter fuel-injected four-cylinder and optional 4.2-liter six-cylinder. It will be offered with a soft top and half-metal doors and in a hardtop model with full-metal doors.

The Europeans are also slating luxury offroad vehicles in the larger end of the market. A new Austrian-built Pinzgauer, for example, will go on sale in the East, beginning this summer and in California by summer of '87.

Expected to retail for $50,000, the five-passenger 4WD vehicle is built for speed and comfort, has a short 94.5-inch wheelbase, a 110-hp engine, is 176.3 inches in length and hits top speed at 80 mph. It has a tow rating of 5000 pounds onroad and 1500 pounds off-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TOW VEHICLES
continued

road; officials aren't sure why. It is powered by a six-cylinder turbodiesel engine, and will come with features such as a four-speed automatic transmission, air conditioning and self-leveling suspension.

In the 1987 model year, the English-built Ranger Rover will also go on sale for well in excess of $30,000. It features a 3.5-liter aluminum V-8 engine; tow ratings are not yet available. Δ

TRUCK SALES
from page 48

anese models, begin arriving.

Last year, manufacturers sold about 540,000 compact sport utilities. Their popularity is expected to grow at a moderate rate this year. Chrysler plans to bring in about 10,000-12,000 Pajeros from Mitsubishi, beginning in the fall, to compete against the Bronco II and S-Blazer. Pajero is equivalent to the Montero sold by Mitsubishi dealers in this country. Nissan also has a new compact offroader due within the next 12 months.

Meanwhile, about 480,000 people bought minivans last year, and that's expected to climb by another 150,000 this year. About 350,000 of last year's minivans were passenger (as opposed to cargo) models. GM anticipates that passenger-minivan sales will reach upward of 750,000 within the next five to eight years.

Big vans haven't really been hurt by the growing popularity of the minis, so far. But their sales may drop by 50,000-80,000 this year because of increased availability of the Chevy Astro/GMC Safari and Ford Aerostar. Close to half of GM's compact vans and roughly a third of Ford's Aerostars are sold as commercial vans. That is how the bulk of full-size vans are sold. (Commercial refers to cargo carriers with only two seats.) So, competition between minis and full-size models is increasing.

Last year, the industry sold about 475,000 full-size vans, approximately 15,000 fewer than in the year before. Their popularity will taper off a bit during the next several years. As more new people-carrier-type minivans come on the market, models such as Astro and Safari will increasingly have to compete with large vans for commercial sales. They are expected to continue as favorites with the RV community, though, because of the advantages of rear-drive over front-drive for towing purposes.

The offroad station wagons, Chevy and GMC Suburbans and Jeep Grand Wagoneer, have climbed steadily in

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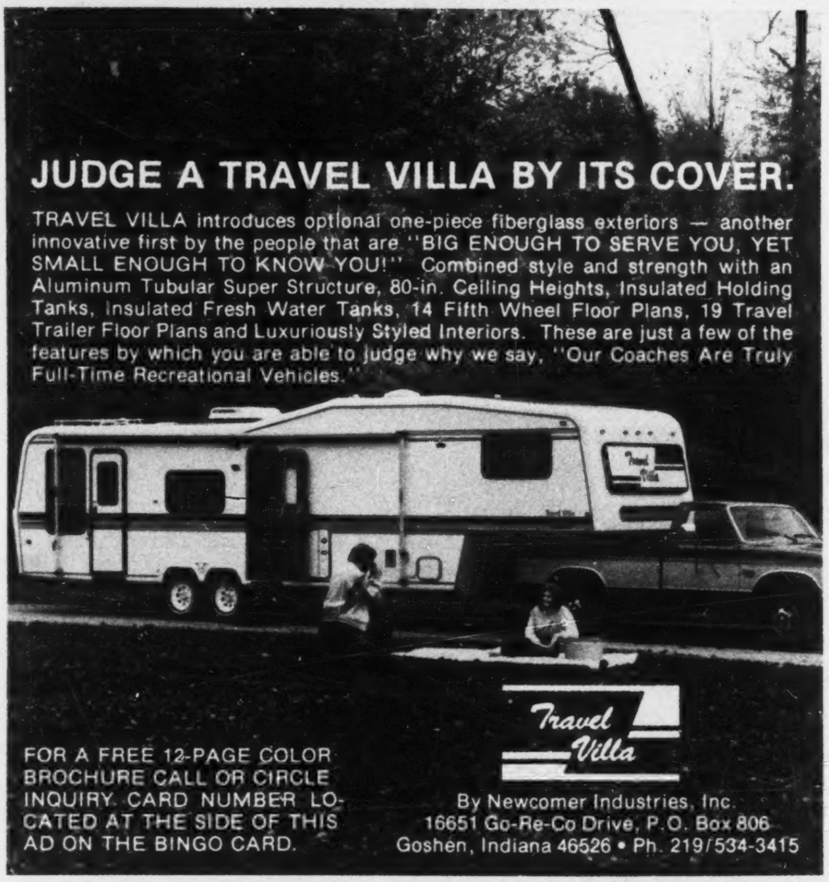
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TRUCK SALES

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popularity during the last five years, reaching almost 100,000 sales in 1985. That's a tribute to their four-door roominess and tremendous towing and offroad capabilities. Their sales are expected to continue very strong. For RVing purposes, they can't be matched.

Full-size offroaders—such as Bronco, Blazer and Ramcharger—are expected to drop in popularity, even though Bronco and Ramcharger, for example, enjoyed increases last year. Originally, the auto companies thought their small offroaders would knock out the big ones. That hasn't happened, but Chrysler is starting to build its Ramcharger in Mexico at a slower pace than in the United States. And some of the military sales, which boosted Chevrolets' numbers, are likely to end when its current contract expires.

Sedan pickups, including the Chevy El Camino and GMC Caballero, have been very stable in the 25,000 sales range throughout the past four years.

Industry estimates for Class C and Class A motorhomes and walk-in vans reflect the Class C's growing popularity. They also show a slight falloff in Class A shipments from Detroit. Δ—*E.T.*

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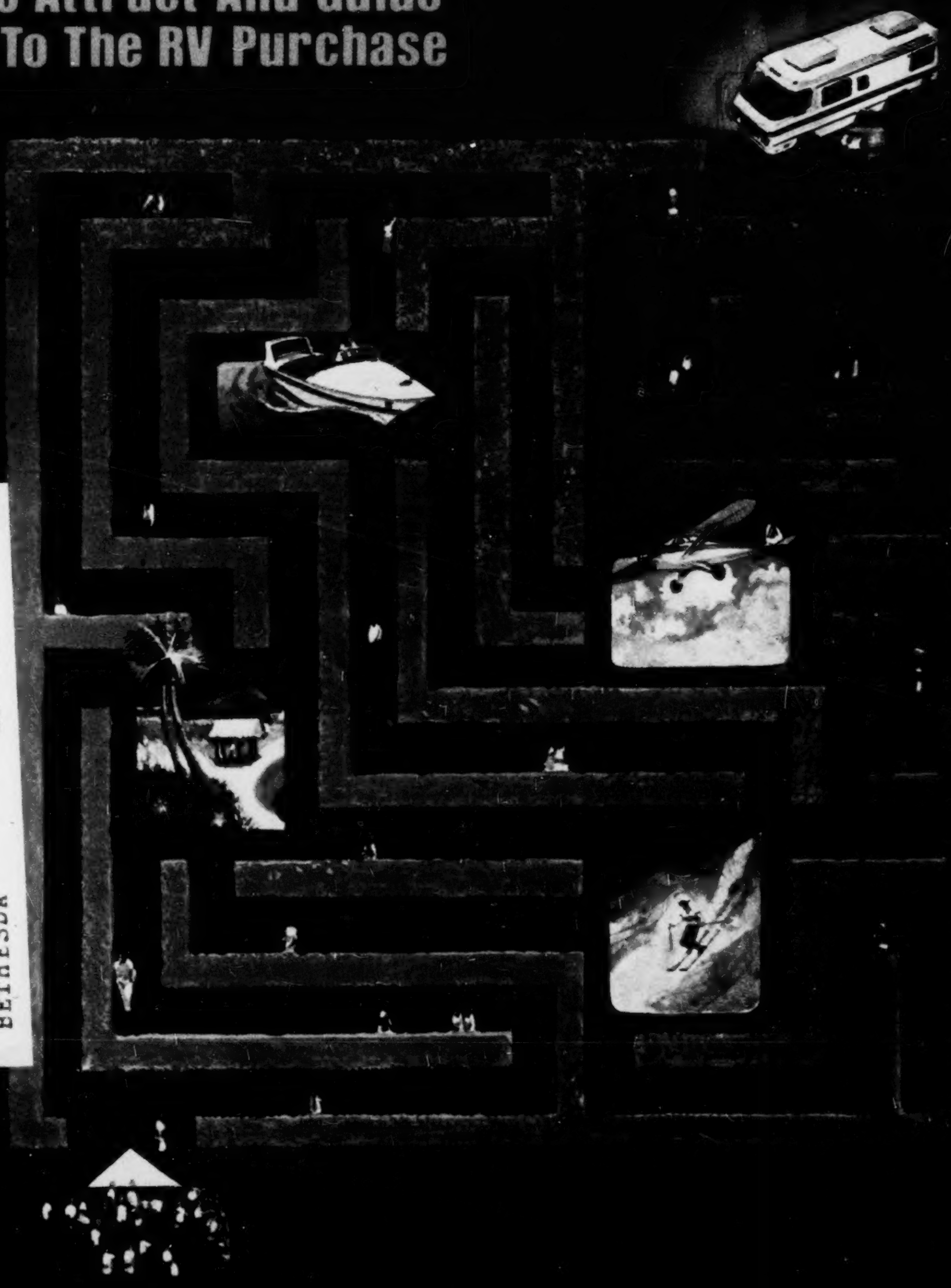
FIRST-TIME BUYERS

How To Attract And Guide Them To The RV Purchase



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RV BUSINESS

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Patricia E. Goeke

Who is the first-time buyer? This special report details the demographics of the elusive group.

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Are vans the industry step-child—or the key to future RV sales?

IS A USED-RV GLUT COMING?

To stock up or unload; that is the question.

WHAT FIRST-TIMERS BUY

Are you using the best bait?

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Gaylord Maxwell

Our own Dealer Advisory Board reports on its supply of used RVs.

COAST RV's TIM McGUIRE

An RVB staff interview with this dynamic industry leader, who discusses what Coast is doing and how.

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A controversial report is being touted as savior for the industry's woes.

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ON THE COVER: Attracting the elusive first-time RV buyer through the maze of leisure-time distractions remains the chief concern of the RV industry. Who are those buyers, where and when can we expect them to enter the marketplace, and how have other industries dealt with the issue? Our special section begins on page 28. (Illustration: Tom O'Mary.)

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	FEB '86	FEB '85	% CHANGE	1986	1985	% CHANGE	FEB '86	FEB '85	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	79	108	−27	178	188	− 5	114	103	+11	170	176	− 3
TRAVEL TRAILERS	79	77	+ 3	149	122	+22	59	60	− 2	111	105	+ 6
TRUCK CAMPERS	13	9	+44	27	20	+35	7	10	−30	10	13	−23
CAMPING TRAILERS	135	120	+13	227	186	+22	21	25	−16	28	25	+12
FIFTH-WHEELS	28	32	−13	46	53	−13	8	7	+14	17	17	same

	FOR MONTH			YEAR-TO-DATE		
	FEB '86	FEB '85	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$7,590,487	$8,193,635	−7	$14,465,773	$14,399,854	+less than 1%
TOTAL UNIT SALES	543	561	−3	963	905	+6
NEW UNIT SALES	334	346	−3	627	569	+7
USED UNIT SALES	209	215	−3	336	336	same

February was a so-so month for our Dealer Advisory Board (DAB). Compared to the previous February, figures for both unit sales and dollars were slightly down. In dollar volume, the 23 dealers on the board were almost evenly divided between the ups and the downs. In terms of units, two of the five new RV categories were up and three were down. Used categories showed the same division but with different types.

Overall, the profit picture showed improvement over the past two or three months during which dealers were getting rid of excess and difficult inventory. Profits were generally rated fair to good, but with quite a few excellents.

There is no single direction for DAB dealers. Two very large dealerships took a real sales beating in February, but several medium-size dealerships nearly doubled their sales from the previous February. One dealer complained that, since the first of the year, he has gained three new competitors within a mile of his dealership.

It is a little early to predict a trend, but with the two very positive factors of much lower gas prices and greatly lowered interest rates, it could be a good year. If it starts shaping up that way, you can bet that we'll see lots of new competition in the next few months.

MOTORHOMES

The sharp decline in new-unit sales is largely attributable to very poor sales by some of the larger motorhome DAB dealers. Fortunately, it is early in the year and the figures represent only a small portion of annual sales; so, the picture may change quickly.

Used sales were good in February, but they are slightly down year-to-date. The profit picture is better; most dealers reported them good.

TRAVEL TRAILERS

New-travel-trailer sales were up over the previous February, but the actual increase was only two units. Used sales dropped by one. Year-to-date, however, new units are up nearly a quarter over the first two months of 1985 and used units are up slightly.

Travel trailer profits were quite varied, ranging all the way from poor to excellent; however, good received more marks than any other rating from the DAB members. This could be a comeback year for trailer dealers.

TRUCK CAMPERS

The percentage increase for new unit sales in both February and for the year-to-date are up considerably. Used sales haven't been as strong. Although the unit numbers aren't large, this RV type might be in for a good year.

FOLDING TRAILERS

The early shows have been good for fold-down dealers. Sales of this RV type are up nicely for both the month and the year-to-date. Most of the DAB members who specialize in this type or who make a strong effort to market them along with other RV types, are doing very well. Profits varied from fair to excellent.

Used units didn't fare as well in February. An interesting note is that more dealers now appear to be taking used fold-downs in trade than formerly did. Indications at this time are that it will be a good camping trailer year.

FIFTH-WHEELS

New-unit sales in this category were down for February as they are for the year-to-date. The drop isn't much in units, but it seems to be consistently down. It is early in the year, but it is possible that a trend is setting in.

Used units are doing better. Profits are, too; most fiver dealers indicated profits are good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, FEBRUARY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during February 1986 was 30,900 units, down 1.3% from February 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Feb. 1986		Feb. 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	3,900	4,000	− 2.5%	9,300	8,500	+ 9.4%
PARK MODELS	500	500	0%	1,300	1,000	+30.0%
FIFTH-WHEELS	1,700	1,400	+21.4%	3,800	3,000	+26.7%
TRUCK CAMPERS	500	500	0%	900	900	0%
MULTI-USE VEHICLES	16,300	14,800	+10.1%	31,400	28,200	+11.4%
TYPE A: MOTOR-HOMES	2,900	3,500	−17.1%	5,400	6,700	−19.4%
TYPE B: VAN CAMPERS	400	300	+33.3%	1,000	800	+25.0%
TYPE C: MINI MOTOR-HOMES	2,200	3,000	−26.7%	4,000	5,200	−23.1%
FOLDING CAMPING TRAILERS	2,500	3,300	−24.2%	6,000	5,900	+ 1.7%
TOTALS	30,900	31,300	− 1.3%	63,100	60,200	+ 4.8%

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USED-RV GLUT

from page 31

linois, confirms that not only is her used stock unusually high, other dealers in the area are experiencing a similar fate. "I was recently in a regional dealers meeting," she says, "where they asked for a show of hands from dealers who thought they were over inventoried on used, and well over half of the group said they were."

As Van Pelt sees it, a good deal of the problem is that she is simply taking in more trades than she did in the past. "I am finding that a lot more people are electing to trade rather than try to sell their units themselves. In the past I found that established RVers would go ahead and sell their units first, then come in with the cash to make their purchase. Now there seems to be more of a willingness to let the dealer handle that, even if it does cost them a little extra."

In sharp contrast to these dealers, Dave Altman of Southern California-based Altman's RV Sales, says his stock of used units is down, and he has implemented an incentive program to encourage salesman to more aggressively pursue trades. In pursuit of used units, he has begun advertising for rigs, even listing an 800 number for pro-

WHAT FIRST-TIMERS BUY

If you have a headache, you don't argue about the wisdom of using a "quick fix." Most of us simply take an aspirin and go on.

The negative aspect is that once we feel better we seldom pause to discover the cause of the original problem. That's why historian Arnold Toynbee once quipped, "There is nothing in man's history to indicate that man has learned a damn thing from his history."

RV manufacturers seem to be at the entry level of that process—they have a marketing headache and are looking for the quick fix. In this case the aspirin appears to have two legs, a spouse and perhaps a child or two. It's called a "first-timer", and some manufacturers are willing to spend some big bucks to locate and motivate him or her.

The trouble is that the remedy may not even achieve temporary relief. That's because most first-timers don't buy new

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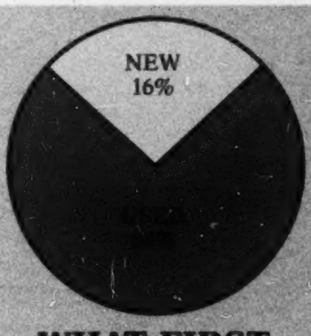
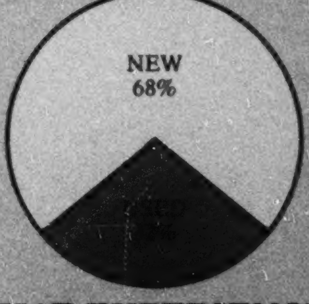


WHAT FIRST-TIMERS BUY



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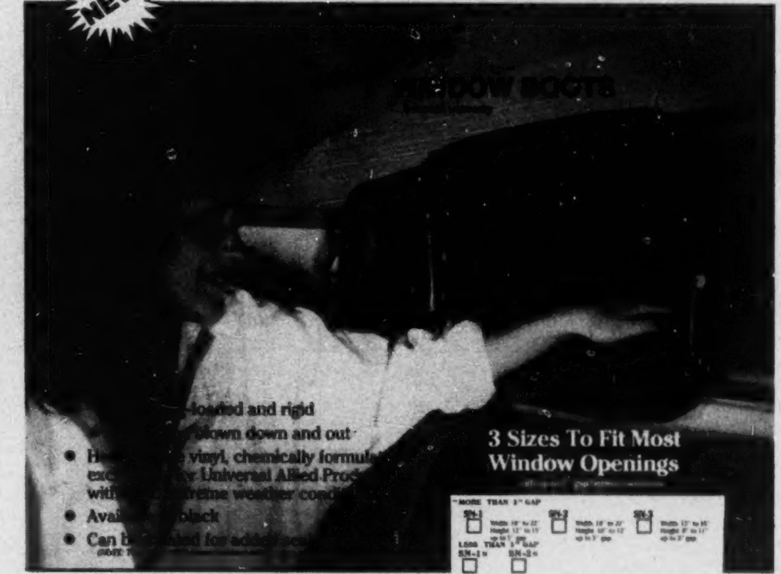

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BUYING HABITS

from page 32

RVs. In actual fact, surveys of *Trailer Life* and *MotorHome* readers show that more than 80 percent of all RV owners buy a *used*, rig the first time around!

That makes sense, because the first-timer is typically very price conscious. Look at some of the good deals available on used product—especially in areas of the country where used inventory is accumulating.

Price sensitivity, however, doesn't go away; the surveys show that 46 percent of *all* RV owners rank price as their first buying consideration. Floorplan and reliability run a close second and third.

Getting back to the used RV, the research shows that recent years of high gasoline prices have caused a decrease in miles driven per year. As an example, the median annual RV miles driven in 1983 as RVers emerged from a depressing four years of fuel anxiety and high gas prices was 5240 for *MotorHome* readers and 3940 for *Trailer Life* readers. (The most recent study, concluded in late 1985, found that declining gas prices had already boosted RVer's driving expectations by 6.4 percent.)

> *". . . gas prices boosted driving expectations by 6.4%."*

Then add into your thinking the very high production of motorhomes and trailers in the years prior to the fuel crisis. You come up with a formidable number of used RVs with low mileage and in relatively good condition. That's what new product must compete with today. It's a competition created by former good times and present circumstances.

The bottom line is that if you want to sell first-timers a new rig, you'll have to wait until they have a year or two or three of RVing under their belt and are ready to upgrade. That's when folks start thinking of a "new" rig in every sense.

In the meantime, perhaps there is truth in the old wisdom that sees opportunity in every problem. Here, the opportunity—and perhaps even some rapid relief—could be in getting behind an effort to put those used wheels back on the road. Manufacturers could help dealers use their co-op dollars more effectively, used shows could be organized, and perhaps used RVs could be allowed into some new shows.

Even given the fact that many used towables are sold for housing, it remains true that putting an "experienced" RV back on the road eventually creates a demand for a new one. Δ

Universal Allied, Circle 78 on Reader Service Card

USED RVs

AN '85 SUMMARY

GAYLORD MAXWELL

A study of the used-RV picture for 1985 has recently been completed by *RV Business*. Questionnaires were submitted to members of RVB's Dealer Advisory Board (DAB) and 19 members responded. Those dealers represent a variety of types, sizes and regions ranging from specialists who sell only one RV type, to dealerships doing annual dollar volumes ranging from $1 million to more than $15 million, and dealerships distributed geographically from coast to coast.

Analysis of the data collected leads to these findings and conclusions about used-RV sales in 1985:

- 39 percent of all units sold (6120 total) were used.
- By types, 37 percent of the used units sold were motorhomes, 37 percent travel trailers, 11 percent camping trailers, 9 percent fifth-wheels and 6 percent truck campers.
- The average dealer sold 122 used units; the median was 95.
- 32 percent of the 19 respondents sold more used units than new.
- The most used units sold by a dealer was 262; the least 32.
- Dealers say that 80 percent of their used units are acquired as trade-ins, 14 percent by consignment and 6 percent by outright purchase.
- 33 percent rate their used inventories as large; 54 percent, average; and 13 percent, small.
- The average dealer had 24 used units on his lot (the highest was 84; the lowest, 4).
- Dealers say that 50 percent of their first-time buyers buy used.

The following conclusions are supported by the data:

The fact that more than 33 percent of

The following chart shows ages of trade-ins by RV type:

MODEL YEAR	RV TYPE				
	MH	TT	PUC	FCT	FW
'74-older	11%	16%	36%	15%	14%
'75-'76	10%	11%	16%	10%	8
'77-'78	27%	22%	18%	15%	31%
'79-'80	23%	20%	13%	20%	18%
'81-'82	15%	18%	8%	21%	18%
'83-'84	14%	13%	9%	19%	11%

The condition of used units taken in were rated as follows:

RV TYPE	EXCELLENT	GOOD	FAIR	POOR
MH	14%	46%	33%	8%
TT	15%	45%	30%	10%
PUC	5%	24%	52%	19%
FCT	8%	43%	31%	18%
FW	16%	43%	30%	11%

Mileage on used motorhomes was rated as follows:

	UNDER 25M*	25-50M	50-75M	75-100M	OVER 100M
Class A:	21%	60%	16%	2%	1%
Class B:	9%	40%	34%	15%	2%
Class C:	26%	54%	16%	3%	1%

**M = thousands*

MH *motorhome*
TT *travel trailer*
PUC *pickup camper*
FCT *folding camping trailer*
FW *fifth-wheel*

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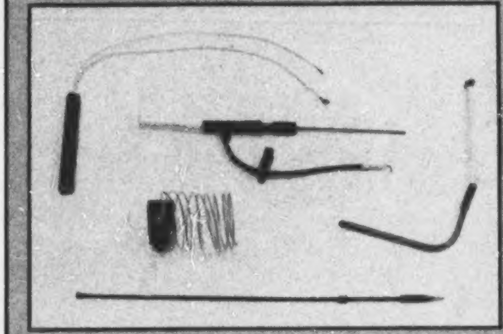
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USED-RV GLUT

continued

all RVs sold are used units indicates the importance of a well-planned program for handling that inventory. With 80 percent of those units coming in as trades, salespeople and managers must do a good job in establishing values before deals are made. Service departments have a responsibility to maximize selling prices by making units as salable as possible.

It is apparent from the data that some dealers do not have strong used-RV programs. The fact that almost 33 percent of the dealers involved in the study sold more used units than new ones suggests that those who sell very few used, in relation to new, are missing the boat.

Size of inventory ratings indicate generally that used inventories aren't out of balance; however, the fact that 33 percent gave a large rating suggests that overall used inventory levels are rising. Dealers would be well-advised to watch that situation carefully.

With 50 percent of first-time buyers opting for used units, dealers and managers should pay special attention to training and education in that area. Salespeople must know a lot more about those used units than just their prices, if they plan to give their customers good information and assistance. These are prime requirements for operating a good business.

With the exception of truck campers, almost half or more of all trade-ins are '77s models or newer. An implication is that dealers have a great deal of cash tied up in newer, more expensive used inventory. Almost 30 percent of those units are '81s or newer—RVs sold during the tremendous price-increase era after the second oil crisis. A trend toward trading in RVs more often, thus trading in newer rigs, seems apparent.

Motorhome, travel trailer and fifth-wheel trade-ins follow a fairly close pattern, but the other two types do not. Truck campers tend to be kept for a long time (more than 50 percent are 10 years old or older). Fold-downs, on the other hand, tend to be traded in more quickly (40 percent are '81s or newer).

In terms of condition at the time of trade-in, there is a similarity of patterns with ages of the types traded in. Motorhomes, travel trailers and fifth-wheels are more likely to be in good or excellent condition; camping trailers are likely to range from poor to good, and truck campers from poor to only fair. There seems to be a relationship between age and condition in the latter.

The mileage on both trade-in Class A and C motorhomes indicates that chassis are generally not worn out by the time the motorhome is sold to a second buyer. Class B's, however, tend to have more mileage at trade-in time. Δ

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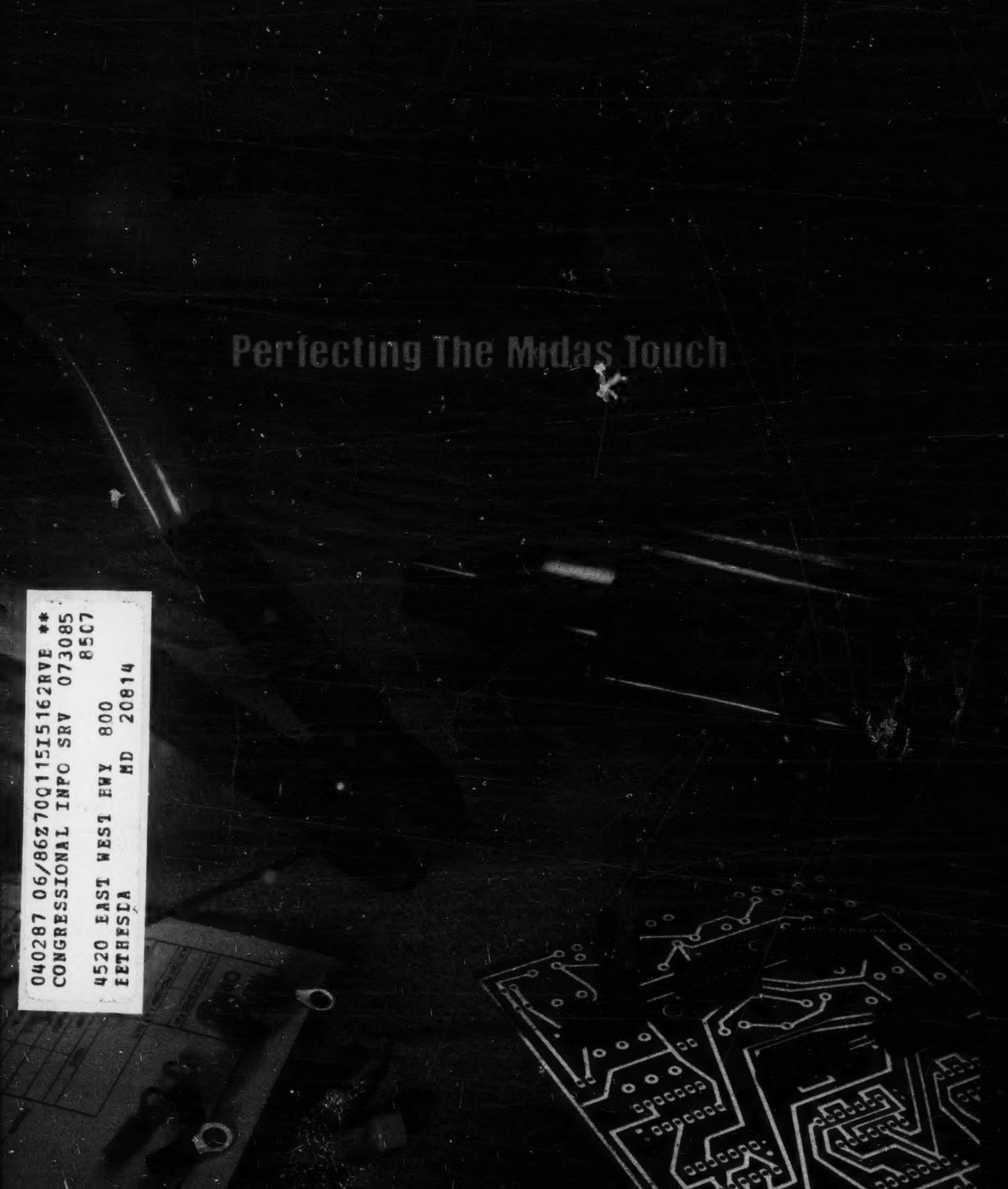
RV BUSINESS

Perfecting The Midas Touch



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[illegible] **CALENDAR**

[illegible] **BACK PAGE** *Sheryl Harris*

ON THE COVER: Service with a smile is old hat. In today's game it takes good, dependable, efficient—and extended—service to enhance the bottom line. The addition of new tools—from computerized mechanics to videos—changes the gameplan. Find out how in our special section beginning on page 28. Photo: Dale Berman. Circuit board courtesy of Sandy's Electronics.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MARCH 1986	MARCH 1985	% CHANGE	1986	1985	% CHANGE	MARCH 1986	MARCH 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	95	143	−34	239	325	−26	91	95	− 4	268	273	− 2
TRAVEL TRAILERS	128	123	+ 4	274	230	+19	85	107	−21	190	204	− 7
TRUCK CAMPERS	14	15	− 7	41	35	+17	14	18	−22	26	30	−13
CAMPING TRAILERS	173	176	− 2	398	350	+14	42	54	−22	74	80	− 8
FIFTH-WHEELS	28	40	−30	76	79	− 4	5	15	−67	18	25	−28

	FOR MONTH			YEAR-TO-DATE		
	1986	1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$9,125,754	$10,967,417	−17	$22,714,719	$24,600,261	−8
TOTAL UNIT SALES	675	786	−14	1604	1631	−2
NEW UNIT SALES	438	497	−12	1028	1019	+1
USED UNIT SALES	237	289	−18	576	612	−6

March was not a particularly good month for RV dealers according to RVB's Dealer Advisory Board (DAB). It was by no means a disaster, but reports from the 23 members of the board indicate that, in terms of dollars taken in and units delivered, the showing was poor compared with the previous March.

Of the 28 categories in this report, 23 were down for the month. Only travel trailers are in the plus column in new-unit sales. All used categories are down, as are totals for dollars taken in and new and used units delivered.

Year-to-date, the picture is only a little better. Three categories of new units are still ahead of the first quarter of last year; however, all used categories are down. Sales volume for the year is down along with total unit sales. Only new units still maintain a very slight lead over the previous year.

Is the RV market falling apart? Hardly. As a matter of fact, 11 DAB members (almost half) were actually up in sales volume in March and the same number are up for the year-to-date. What hurts the average are significant sales decreases by three very large DAB dealers.

The majority of the DAB members rated gross profits fair to good. A couple of dealers rated them excellent and two rated them poor. Profits aren't super, but neither are they awfully bad.

Service and accessory ratings ranged from fair to excellent, with a leaning toward the high end. Used units brought only fair to good prices.

In spite of the somewhat negative aspect of conditions at this point, there is no cause for panic. The 1986 chapter has yet to be completed. A number of changing market factors at this time—nearly all good—suggest that it would be reasonable to expect an upswing in the second quarter, which could continue right through the year.

MOTORHOMES

Four large dealers, two of whom are in areas with severe economic problems, accounted for most of the drop. Eight other dealers, however, were also in the minus column. The existence of too many dealers and of high prices are the most common explanations for falling sales. Profits were fair to good.

TRAVEL TRAILERS

With this lone category in the plus column in March and the one with the greatest increase for the year-to-date, it would appear that the big towables might be experiencing some come-back.

Seven of the 20 DAB members who stock travel trailers are down from the previous year-to-date and four are the same for the two first quarters. That means that actually only nine are up. Still, it's better than any other category overall, and that's something. Profits were generally rated good.

TRUCK CAMPERS

The drop of only one new unit in truck campers shows that this category is holding its own. Profits were rated excellent.

FOLDING TRAILERS

The decrease in new-unit sales for the month was slight; year-to-date, it is still a plus category. The main season for this type is yet to come, but things look pretty good right now. There is nothing to indicate that it will be a banner year for fold-downs, but dealers who give them a good shot should do reasonably well. In terms of profit, it's a mixed bag.

FIFTH-WHEELS

The drop in new-unit sales for the month was considerable. Year-to-date, the figure isn't nearly as dramatic. Most dealers of this type are running fairly close to last year. Although the percentage drop for the month is large, the number of actual units represented is not great; ditto for the year-to-date. Profits on fivers were fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, MARCH

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during March 1986 was 35,200 units, up 2.3% from March 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in Mar. 1986		Mar. 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	5,700	6,400	− 10.9%	15,000	14,900	+ 0.7%
PARK MODELS	600	600	0%	1,900	1,600	+ 18.8%
FIFTH-WHEELS	2,100	2,000	+ 5.0%	5,900	5,000	+ 18.0%
TRUCK CAMPERS	700	700	0%	1,600	1,600	0%
MULTI-USE VEHICLES	17,000	13,600	+ 25.0%	48,400	41,800	+ 15.8%
TYPE A: MOTOR-HOMES	2,700	3,000	− 10.0%	8,100	9,700	− 16.5%
TYPE B: VAN CAMPERS	300	700	− 57.1%	1,300	1,500	− 13.3%
TYPE C: MINI MOTOR-HOMES	2,200	2,800	− 21.4%	6,200	8,000	− 22.5%
FOLDING CAMPING TRAILERS	3,900	4,600	− 15.2%	9,900	10,500	− 5.7%
TOTALS	35,200	34,400	+ 2.3%	98,300	94,600	+ 3.9%

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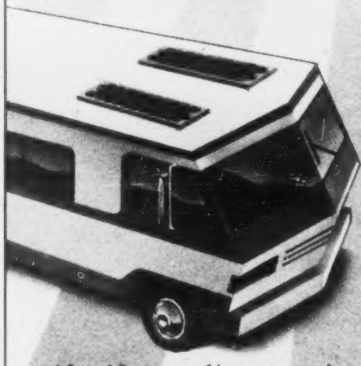

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INTEREST RATE BUY-DOWNS

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Automotive Innovations On The Horizon

South Bend Show Preview

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Robert Longsdorf Jr.

This method may save the battle—and lose the war.

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Know the rules before you play the game.

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Once high-tech automotive innovations, disc brakes and radial tires are now common on today's RVs; the computerized, high-tech items of today—and the future—will trickle down the same way.

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Louise Ann Noeth

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Brian Robertson

Is it needed? Is it wanted? Is it working? Is it time for something else?

BRAND NAME LOYALTY
Gaylord Maxwell

First-timers and seasonal buyers approach brand names differently; sales depend on recognition of that difference.

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Don Magary

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Ben Sussman

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Michael Schneider

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MAXWELL
Gaylord Maxwell

RV PEOPLE

PERSPECTIVE
Gaylord Maxwell

ASSOCIATIONS

SHIPMENTS

OERTLE
V. Lee Oertle

INDUSTRY NEWS
Olga Markowitz

PROFITMAKERS

CALENDAR

BACK PAGE
Sheryl Harris

ON THE COVER: Whether interest rate buy-downs truly help rake in the sales, or whether it's a big gamble with next year's sales, is still open to debate. You can bet, though, that industry members have definite opinions. See page 36. Photo: Paul Pribble. Coins: Courtesy of Conejo Valley Stamp & Coin Incorporated, Thousand Oaks, California.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	APRIL 1986	APRIL 1985	% CHANGE	1986	1985	% CHANGE	APRIL 1986	APRIL 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	119	134	−11	355	475	−25	102	91	+12	363	359	+1
TRAVEL TRAILERS	95	129	−26	366	355	+3	116	84	+38	285	271	+5
TRUCK CAMPERS	21	25	−16	68	61	+11	15	20	−25	44	51	−14
CAMPING TRAILERS	145	187	−22	543	530	+2	37	48	−23	110	120	−8
FIFTH-WHEELS	23	36	−50	99	110	−10	10	11	−9	28	36	−22

	FOR MONTH			YEAR-TO-DATE		
	APRIL '86	APRIL '85	% CHANGE	APRIL '86	APRIL '85	% CHANGE
SALES VOLUME	$10,310,065	$10,520,956	−2	$32,884,863	$34,733,667	−5
TOTAL UNIT SALES	683	765	−11	2261	2361	−4
NEW UNIT SALES	403	511	−21	1431	1531	−7
USED UNIT SALES	280	254	+10	830	830	0

April might have brought gentle showers and beautiful flowers, but it wasn't overly kind to RV dealers. According to RVB's Dealer Advisory Board (DAB), dealers generally found sales harder to come by than they were last April and profits were on the weak side.

All five RV categories were down in new-unit sales. Motorhomes suffered the least, fifth-wheels the most. One of the few bright spots is in used-unit sales, which were up in two categories: motorhomes and travel trailers.

In dollar terms, the month's sales volume was down slightly and it is down for the year-to-date.

In a month when gas prices and interest rates were falling substantially, when most economic news was positive and foreign travel was less appealing, it seems incongruous that RV sales should decline. Yet it happened. Sixty percent of the DAB members report lot traffic low. Apparently, the factors that should be bringing hordes of lookers aren't working as well as they should.

The RV market picture is not grim; it is disappointing. It is hoped that the situation is temporary and that, before this appears in print, the potentially positive market factors will have brought about the long-awaited sales upsurge.

MOTORHOMES

The new-unit sales drop in April is largely attributable to significantly lower sales by three of the larger DAB dealers. Most dealers had sales comparable with those of last April; however, the 25 percent new-unit sales decreased for the DAB year-to-date (four months) and the fact that 63 percent of the motorhome dealers on the DAB are down for for that period are reason for some concern. Fair to poor profit ratings go along with the sales drop. Used motorhomes are selling very well—a condition that will probably continue. Even with very reduced interest rates, the payment on almost any new motorhome is huge. Used is the only way for many buyers. It is imperative that motorhome dealers become experts in obtaining and marketing used units.

TRAVEL TRAILERS

After an excellent start during the first quarter, this RV type took it on the chin in new-unit sales in April. Fourteen of the 19 travel-trailer dealers on the DAB were down from last April. Year-to-date, sales are still up slightly.

Profit ratings ranged all the way from poor to excellent, with almost 50 percent of the reporting dealers calling them good. It will be interesting to see if April was an exception or if the good first quarter was a fluke.

TRUCK CAMPERS

This type had also enjoyed a nice increase in new-unit sales. April changed the picture although the year-to-date increase is still the best of all types. Used-unit sales were down. Profit ratings were mixed.

FOLDING TRAILERS

Fold-downs joined travel trailers and truck campers in falling sales although much of the drop is attributable to a 50 percent decrease by a folding trailer specialist on the DAB. Most dealers of this RV type are close to last year's figures in the year-to-date column. Used sales were down both for the month and year-to-date. Profits were rated good by many dealers, but it is significant that five rated them poor.

FIFTH-WHEELS

The 50 percent new-unit sales drop for the month is impressive. Several of those dealers who have relatively strong fiver departments saw their sales halved in April. Year-to-date, the drop isn't nearly as dramatic. It seems that fifth-wheel sales aren't what they were. Used units were down slightly for the month. Profits were rated fair to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, APRIL

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during April 1986 was 138,000 units, down 3.6% from April 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in April 1986		April 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	6,900	7,800	−11.5%	21,900	22,700	− 3.5%
PARK MODELS	700	700	0%	2,600	2,300	+13.0%
FIFTH-WHEELS	2,500	2,300	+ 8.7%	8,400	7,300	+15.1%
TRUCK CAMPERS	800	900	−11.1%	2,400	2,500	− 4.0%
MULTI-USE VEHICLES	18,200	15,500	+17.4%	66,600	57,300	+16.2%
TYPE A: MOTOR-HOMES	3,300	3,600	− 8.3%	11,400	13,300	−14.3%
TYPE B: VAN CAMPERS	700	600	+16.7%	2,000	2,100	− 4.8%
TYPE C: MINI MOTOR-HOMES	2,900	3,200	− 9.4%	9,100	11,200	−18.8%
FOLDING CAMPING TRAILERS	3,700	4,000	− 7.5%	13,600	14,500	+ 6.2%
TOTALS	39,700	38,600	− 2.9%	138,000	133,200	+ 3.6%

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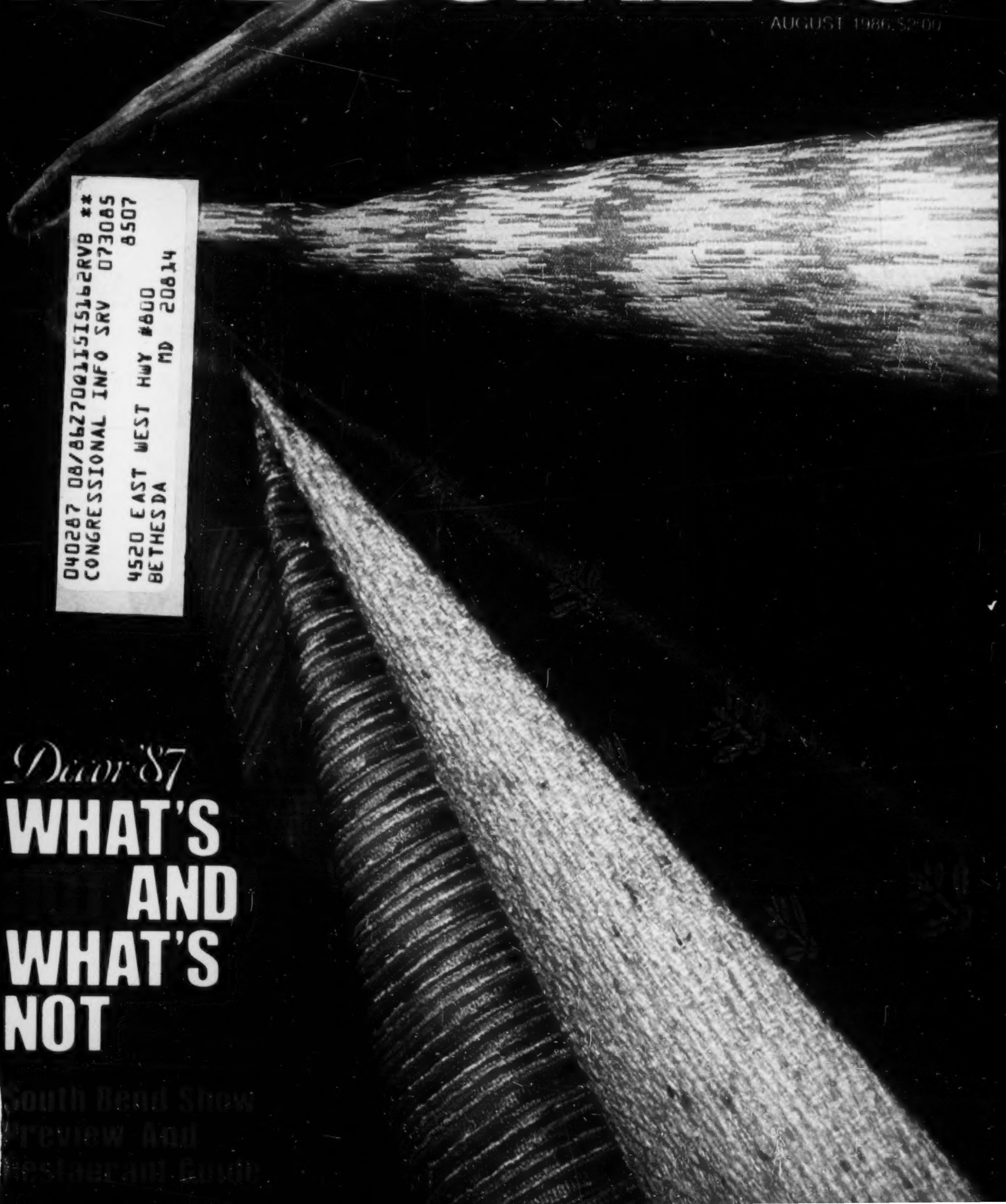

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WHAT'S AND WHAT'S NOT

South Bend Show Preview And Restaurant Guide

RV BUSINESS

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Robert Longsdorf Jr.
Though this segment of the industry has learned much from its history, NHTSA claims it doesn't show in actual practice.

[illegible] **MAXIMIZING YOUR TRADE-SHOW ROI**
Don Magary
Trade shows are primarily business events and, properly approached, can be profitable.

[illegible] **RVB BOOK REVIEW**
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Mitchell Singer
Megabucks and mega-effort are calculated to produce new buyers for the entire RV industry.

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Dave Bruce
A picture may be worth a thousand words, but experience surpasses them both.

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Everything you need in one handy section: calendar of events, exhibitor listings, floorplans and a guide to the best of the city's eateries and nightspots.

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[illegible] **MAXWELL**
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ON THE COVER: The age-old battle between beauty and function may be coming to an end. New fabrics, textures and serviceability are available through new technology. Photo: Darryl Gray.

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	131	135	− 3	453	534	−15	95	92	+ 3	426	431	− 1
TRAVEL TRAILERS	116	105	+10	443	409	+ 8	113	104	+10	383	365	+ 5
TRUCK CAMPERS	21	30	−30	89	88	+ 1	21	20	+ 5	56	65	−14
CAMPING TRAILERS	169	174	− 3	685	672	+ 2	43	31	+39	136	150	− 9
FIFTH-WHEELS	25	30	−17	113	137	−19	10	8	+25	34	44	−23

	FOR MONTH			YEAR-TO-DATE		
	MAY 1986	MAY 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$10,546,080	$9,810,608	+ 7	$40,492,624	$41,412,282	−2
TOTAL UNIT SALES	744	729	+ 2	2,818	2,895	−3
NEW UNIT SALES	462	474	− 3	1,783	1,840	−3
USED UNIT SALES	282	255	+11	1,035	1,055	−2

It is difficult to describe the May retail marketplace. Some dealers never had it so good. Two members of RVB's Dealer Advisory Board (DAB) report new sales records. At the other extreme, three report no profit for the month. The 22 members of the board were almost evenly divided between those up in sales and those down.

Used-unit sales were up in all types in May. High new-unit prices are creating more buyers in the used marketplace. Sales in May are usually to those who are preparing for summer vacations, so reasonably good sales in that category suggest reasonably good consumer interest in RVing.

Lot traffic was rated poor by a strong majority of the DAB members. About half the DAB members reported the number of new buyers to be low; half reported the number as average or high, which also suggests that the public is still quite interested in RVing.

Complaints of low grosses are mingled with reports of dealers going out of business or teetering on the brink of failure. The majority of experienced, professional dealers however, are more than surviving. Most of those going out of business are either auto dealers or they are marginal operations that have problems even during the good times. This is not to say that some very good dealers aren't experiencing some difficult times, particularly in especially depressed areas.

MOTORHOMES

There was a slight drop in new-unit sales for the month, and a correspondingly slight increase in used. It wasn't a bad motorhome month for the DAB. The 15 percent drop for the year-to-date, however, is a clear indication that the market isn't booming. Most DAB members are staying fairly close to last year's sales figures. Grosses were generally rated fair or good; there were extremes at both ends. The motorhome business is the most volatile of the retail end of the RV industry. It's easy to get into—and almost equally easy to get out of—if one has flooring available. It may be a tumultuous year ahead as dealers struggle to increase their bottom lines.

TRAVEL TRAILERS

In line with recent months' figures, this category shows up rather well in May with increases over the previous year in both new and used. Although most dealers are barely maintaining last year's sales level, several have increased sales considerably. It is the only category in this report that has solid pluses. Profits were rated good by most trailer dealers.

TRUCK CAMPERS

New-unit camper sales suffered in May compared to the previous year. Year-to-date, however, the numbers are almost equal. Used units were slightly up for the month, but they aren't so good for the year-to-date. Three dealers who reported new sales last year "blanked" in May. Profits were very mixed.

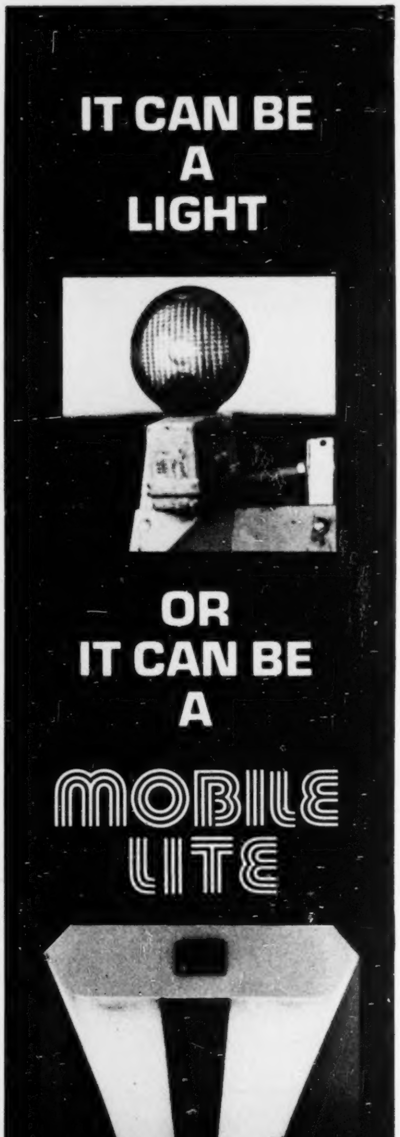
FOLDING TRAILERS

The fold-downs are maintaining a pace quite close to last year. Sales of new units were slightly down in May, but they are slightly up for the year-to-date. Used sales boomed in May, perhaps indicating the demand for very inexpensive camping rigs. There's some turmoil in this segment of the industry. After 20 years of selling camping trailers, one DAB member is dropping them entirely. Two others have reduced their emphasis on that type while another has very successfully increased his. Profit ratings tended to be on the low side.

FIFTH-WHEELS

It has been a struggle all year for dealers of this RV type, and May was no exception. Sales of new units were down for the month and they are down for the year-to-date more than any other type. All of the DAB members who have strong fiver departments are experiencing sales problems. Perhaps a partial answer to the slump is the fact that farmers have been the chief fifth-wheel buyers and their problems at this time discourages spending. Profits were rated fair or good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 22 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.



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Shipments

RVIA, MAY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1986 was 35,900 units, down 1.4% from May 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in May 1986		May 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	5,200	5,400	- 3.7%	27,100	28,100	- 3.6%
PARK MODELS	600	900	- 33.3%	3,200	3,200	0%
FIFTH-WHEELS	1,900	1,900	0%	10,300	9,200	+ 12.0%
TRUCK CAMPERS	800	900	- 11.1%	3,200	3,400	- 5.9%
MULTI-USE VEHICLES	17,700	15,900	+ 11.3%	84,300	73,200	+ 15.2%
TYPE A: MOTOR-HOMES	2,900	3,400	- 14.7%	14,300	16,700	- 14.4%
TYPE B: VAN CAMPERS	700	1,000	- 30.0%	2,700	3,100	- 12.9%
TYPE C: MINI MOTOR-HOMES	3,100	3,600	- 13.9%	12,200	14,800	- 17.6%
FOLDING CAMPING TRAILERS	3,000	3,400	- 11.8%	16,600	17,900	- 7.3%
TOTALS	35,900	36,400	- 1.4%	173,900	169,600	+ 2.5%

RV BUSINESS

SEPTEMBER 1986 $2.00

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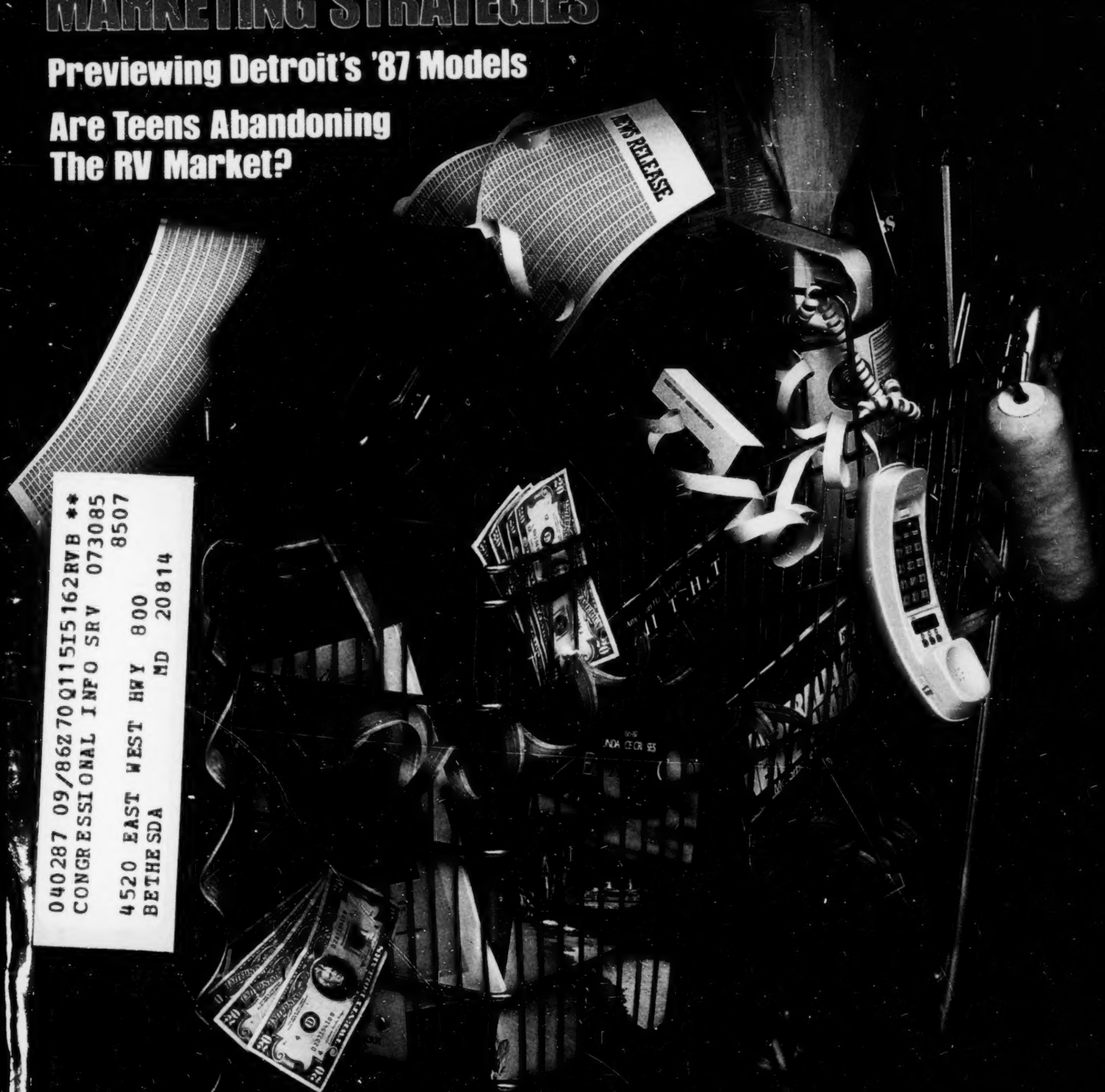
SPECIAL SECTION:
SHOPPING FOR RV MARKETING STRATEGIES

Previewing Detroit's '87 Models

Are Teens Abandoning The RV Market?



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Robert Longsdorf Jr.

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Don Magary

There is a right way and a wrong way—but this is the way that works.

TEENAGE RVERS
Colleen Fenrich

Are they dropping out of the RV lifestyle—and will they return to it later?

DETROIT IN '87
Jeff Johnston

The Big Three, and others, make their tow-vehicle presentations for '87.

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Olga Markowitz

PROFITMAKERS

CALENDAR

ON THE COVER: The recipe for good sales calls for whetting the customer's appetite with an attractive blending of marketing techniques. Here's a shopping cart full of ideas for cooking up a profitable retail business. Find out how, starting on page 30. Photo: Tony Caputo

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JUNE 1986	JUNE 1985	% CHANGE	1986	1985	% CHANGE	JUNE 1986	JUNE 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	126	136	− 8	597	718	−17	113	85	+33	554	521	+ 6
TRAVEL TRAILERS	110	121	− 9	593	576	+ 3	109	79	+38	517	461	+12
TRUCK CAMPERS	18	19	− 5	100	98	+ 2	8	10	−20	64	75	−19
CAMPING TRAILERS	158	245	−36	863	938	− 8	60	53	+13	202	210	− 4
FIFTH-WHEELS	32	31	+ 2	159	174	− 9	10	12	−17	47	55	−15

	FOR MONTH			YEAR-TO-DATE		
	JUNE 1986	JUNE 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$10,393,707	$10,361,383	± 1	$53,193,319	$54,564,067	−3
TOTAL UNIT SALES	744	791	− 6	3,696	3,826	−3
NEW UNIT SALES	444	552	−20	2,312	2,504	−8
USED UNIT SALES	300	229	+26	1,384	1,322	+5

June was definitely a down month in retail sales. Of the five new-unit categories, only one was up. Fifth-wheels managed to stay in the plus column with one unit more than last June. Used units fared much better with three categories ahead of last year. Dollars taken in remained almost identical with the previous year.

Year-to-date totals show a slight, but steady, decline from 1985. Two categories are still ahead in new-unit sales, but the margins are slim. Only travel trailers remain ahead in both new and used for the year-to-date.

Year-to-date figures show no correlation between size of dealership and amount of sales, although larger and smaller businesses seem to be doing better than middle-size ones.

In terms of profits, reports are varied. One-third of the DAB dealers report earnings good or excellent, whereas two-thirds say they are fair or poor. Inventory levels are considered to be in good shape.

Although used units—particularly motorhomes and travel trailers—are selling well, profits have weakened. For several years, nearly all used units brought top dollar; now, ratings are quite mixed. Lot traffic ratings and new-buyer ratings range from low to average. In summary, the general condition of the RV retail market should be termed somewhat sluggish.

MOTORHOMES

In terms of sales, this is the most volatile of the RV types. The swing forward or backward for individual dealers is enormous, particularly for large motorhome specialists. The sales of a couple DAB members have fallen drastically, but two others have picked up. The average small dealer is down a little in new-unit sales.

Used motorhomes are much in demand, as indicated by the 33 percent in June sales and the year-to-date increase of 6 percent. The significance of used sales is vividly indicated by the fact that for the DAB, used sales figures approximate those of new units. Motorhome profits were rated good to fair by most.

TRAVEL TRAILERS

Although the total new-unit sales figure is up, both for the month and for the year-to-date, the number of DAB members who are down in this category is larger than those who are up. In fact, 11 are down and only 7 are up.

As with motorhomes, the number of used units being sold almost equals that of new. Dealers say price accounts for the popularity of used units with first-time buyers. Travel trailer profits are rated generally from fair to good.

TRUCK CAMPERS

New-unit sales were down by one unit from the previous June, but year-to-date, they are still up by a couple. Only our camper specialist on the DAB sold new units during the month. Used sales were down slightly for the month, too. Profits were rated excellent on new-unit sales.

CAMPING TRAILERS

Folding trailers started out well this year, but the trend has gone the other way for three months. Unfortunately, the drop seems to be accelerating. For the first time this year, the year-to-date figure for new units is minus. One former specialist is dropping them altogether in favor of motorhomes. Slow sales and poor profits are blamed. Profits for the month were rated poor to good.

FIFTH-WHEELS

The one unit increase in sales over last June made this the only new-unit type with a percentage increase for the month; however, the figure for the year-to-date is still down. Both of the two dealers on the DAB who have strong fiver departments were down for the month, but are still up for the year-to-date. Profits were rated poor to good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 21 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, JUNE

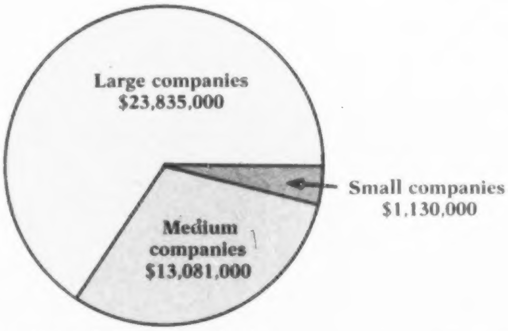
The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1986 was 33,900 units, up 7.6% from June 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

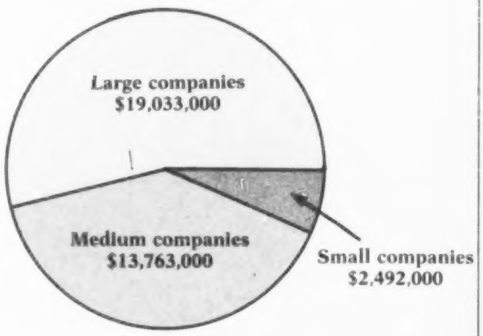
RV shipments were as follows in June 1986		June 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	4,800	4,900	– 2.0%	31,900	33,000	– 3.3%
PARK MODELS	700	700	0%	3,900	3,900	0%
FIFTH-WHEELS	1,700	1,900	– 10.5%	12,000	11,100	+ 8.1%
TRUCK CAMPERS	800	700	+ 14.3%	4,000	4,100	– 2.4%
MULTI-USE VEHICLES (Van Conversions)	17,500	15,300	+ 14.4%	101,800	88,500	+ 15.0%
TYPE A: MOTORHOMES	2,500	2,300	– 8.7%	16,800	19,000	– 11.6%
TYPE B: VAN CAMPERS	600	800	– 25.0%	3,300	3,900	– 15.4%
TYPE C: MINI MOTORHOMES	2,700	2,200	+ 22.7%	14,900	17,000	– 12.4%
FOLDING CAMPING TRAILERS	2,600	2,700	– 3.7%	19,200	20,600	– 6.8%
TOTALS	33,900	31,500	+ 7.6%	207,800	201,100	+ 3.3%

WDA—First Quarter 1986

Total Sales Volume
$38,047,000
(in U.S. Dollars)



Average Inventory At Month End
(Total of all reporting companies: $35,288,000)
(in U.S. Dollars)



Note: Company size is determined by average monthly sales
Large = Over $500,000 per month; Medium = $100,000 to $500,000 per month; Small = Under $100,000 per month

	Average % Change In Sales Volume (Jan-Mar)	Sales To Inventory Ratio	Average Gross Profit Margin (%)	Average Collection Days For Receivables	Percent Of Receivables 60 Days Or Older
Small companies (8)*	+ 61.5	0.76	37.4	34.0	17.0
Medium companies (16)*	+ 74.0	1.03	23.8	31.0	13.6
Large companies (6)*	+ 42.2	1.42	22.0	33.9	17.6
All companies (30)	+ 64.3	1.04	27.1	32.4	15.3
All U.S. companies (24)*	+ 41.7	1.01	27.8	33.0	16.1
All Canadian companies (6)*	+ 149.6	1.15	24.2	29.8	12.3

* *(number of firms reporting)*

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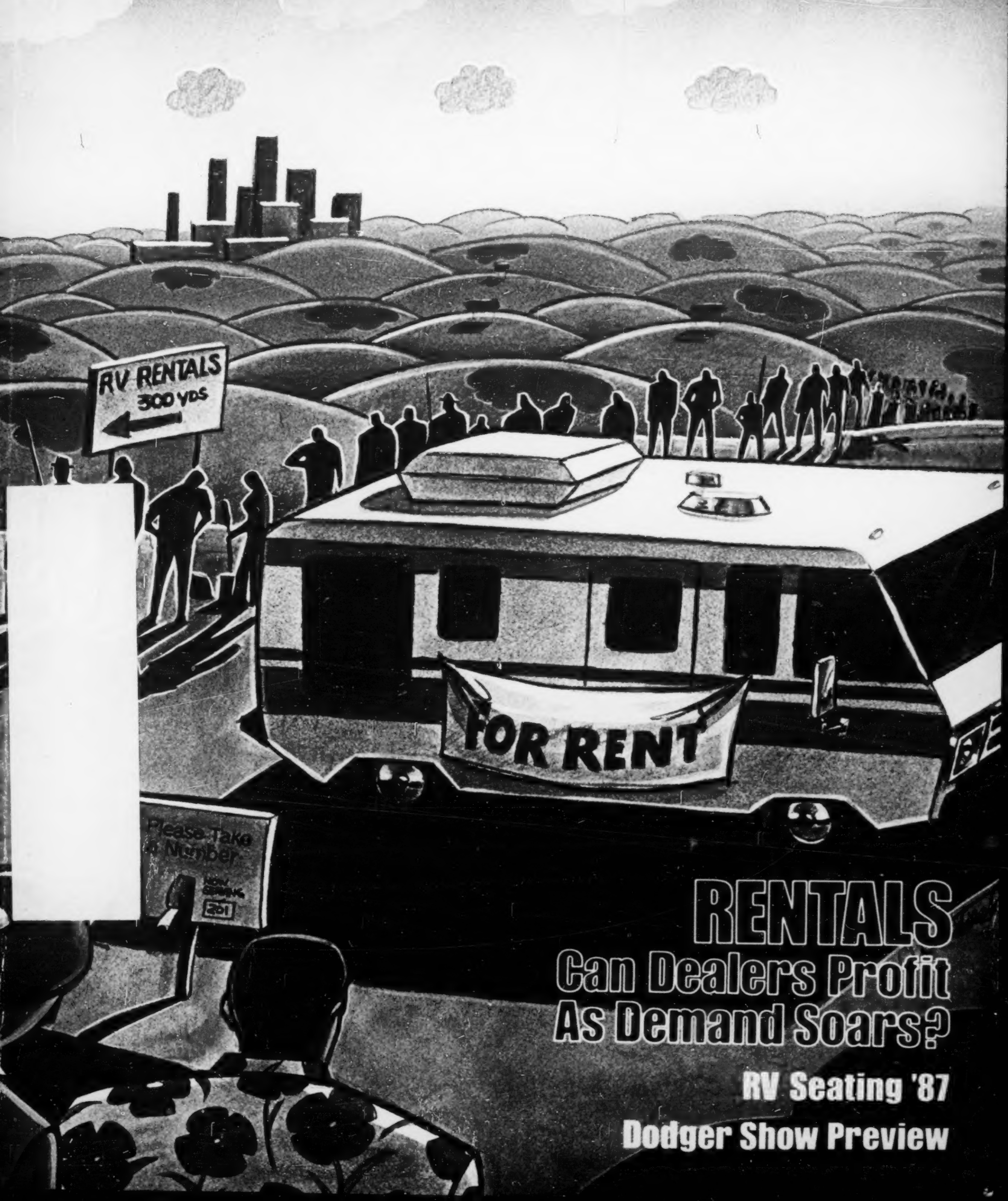
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RENTALS

Can Dealers Profit As Demand Soars?

RV Seating '87

Dodger Show Preview

RV BUSINESS

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Robert Longsdorf Jr.

The industry discusses how dealers and manufacturers may be able to cash in on surging rental demand, hopefully turning RV renters into RV buyers.

[illegible] **THE STATE OF RV SALESMANSHIP**

RV Business anonymously visits a sampling of RV dealerships to take a look at the state of RV salesmanship.

[illegible] **CAMPING WORLD**
Don Magary

Camping World's Chairman David Garvin and President Tad Donnelly explain their formula for success.

[illegible] **SEATING**
Colleen Fenrich

Seating manufacturers describe the new technologies and styling of their '87 designs.

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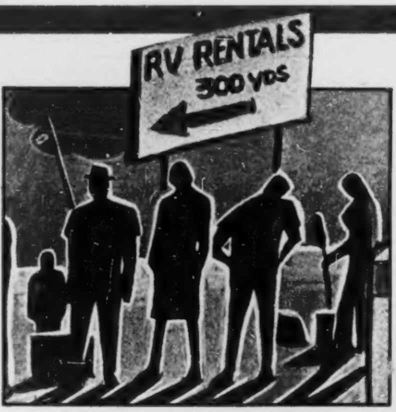
Ben Sussman

Weyerhaeuser triumphs over complex logistics and the natural elements to produce an ad stressing natural quality.

[illegible] **DODGER SHOW PREVIEW**

This special section provides a floorplan, and manufacturer and supplier listings to help attendees enjoy the show.



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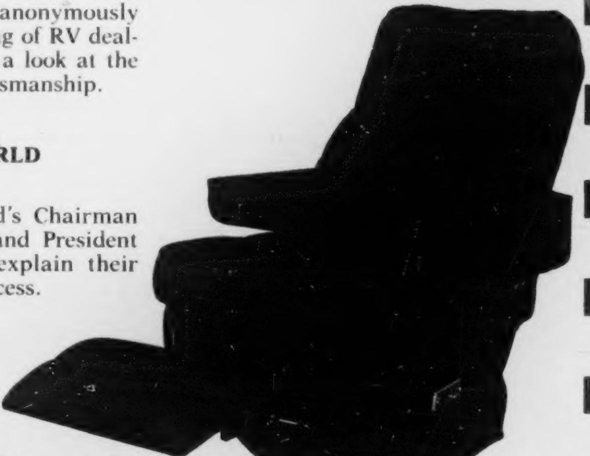

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ON THE COVER: Consumers are lining up to rent recreational vehicles. The surge in RV demand has already outstripped the available rental fleet. Can RV dealers tap that rental boom and transform rentals into sales? Our lead article attempts to answer that question, beginning on page 24. (Illustration: Curt Walstead)

Perspective

An analysis of RVB's monthly survey
of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE
MOTORHOMES	120	119	+ 1	720	838	−14	112	103	+ 8	665	629	+ 6
TRAVEL TRAILERS	98	90	+ 8	701	641	+ 7	124	95	+31	641	557	+15
TRUCK CAMPERS	15	23	−35	115	121	− 5	11	11	same	75	86	−13
CAMPING TRAILERS	126	161	−22	844	928	− 9	39	53	−26	241	261	− 8
FIFTH-WHEELS	25	34	−18	174	194	−10	9	12	−25	56	66	−15

	FOR MONTH			YEAR-TO-DATE		
	JULY 1986	JULY 1985	% CHANGE	1986	1985	% CHANGE
SALES VOLUME	$9,397,266	$9,738,500	− 4	$61,348,038	$63,760,569	−4
TOTAL UNIT SALES	679	701	− 3	4,232	4,337	−2
NEW UNIT SALES	384	427	−10	2,554	2,738	−7
USED UNIT SALES	295	274	+ 8	1,678	1,599	+5

In July, the Dealer Advisory Board (DAB) was slightly behind July of 1985 in most categories. Totals for both sales volume and unit sales were off a few percentage points from the previous year. Dealers were about evenly divided between those who were up and those who were down from last July.

Although July's new-unit sales total is slightly down, the decline is due primarily to a distinct plunge in camping trailer sales. Travel trailers and motorhomes are actually up for the month.

Year-to-date, only travel trailers show a plus figure in new-unit sales for the DAB. The figure is small, but, overall, new units were down.

Profits on new-unit sales tended to be a bit weaker than normal, no doubt due to concern with inventory reduction at the approaching end of the summer selling season. There were more ratings in the fair and poor columns than in the excellent and good.

Used sales are the brightest spot in this month's report—up both for the month and for the year-to-date—the only categories to have that distinction. Also, profits on used RVs remain quite good with most DAB members calling them excellent or good. Inventories are high for about 25 percent of the reporters, but the other three-quarters say they are average or low.

Common complaints are that traffic on the sales lot is low, and new buyers are not plentiful.

The DAB members distributed their bottom-line ratings evenly among the four rating categories. There was no distinct profit trend during July.

MOTORHOMES

Most motorhome dealers had a July much like that of last year. New-unit sales were up by only one unit, but the plus factor is a welcome indication that, on the average, DAB members are holding their own. DAB figures are clear proof that the demand for used motorhomes continues strong.

Profits on new units were quite varied, but the good column received the most votes. Used units brought excellent to good profits.

TRAVEL TRAILERS

DAB trailer dealers are doing better this year than last. It is the only category to receive four pluses (two for the month—new and used—and two for those classifications year-to-date).

Profits were quite varied with a slant toward the low end. Four reporters labeled them poor. Used units, however, held up nicely.

TRUCK CAMPERS

Only the camper specialist on the DAB had new-unit sales to report in July, whereas last year there were six. We have no explanation to offer for the lack of sales with the other five dealers.

New-unit profits were rated excellent.

CAMPING TRAILERS

Generally, DAB dealers with fold-downs aren't having as successful a year as they did in 1985. The drop in both new and used sales in July was considerable, although the year-to-date losses aren't great.

Camping trailers are, without doubt, the most unpredictable type of RVs: Dealers take them on, then drop them; praise them, then cuss them. Sales are great, then they flop. Profits are tremendous; profits are zilch. Perhaps there are some marketing lessons that have yet to be learned for steady success with this type of RV.

FIFTH-WHEELS

Along with camping trailers, fifth-wheel dealers are having some problems this year. Down in all four classifications for the DAB in general, the larger fifth-wheel specialists appear to be having even more difficulty in maintaining last year's pace.

Profits have suffered, too, in this category that traditionally has been a good money-maker. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 21 dealers representing a cross-section of the U.S. dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, JULY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during July 1986 was 32,300 units, down 8.1% from July 1985.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in July 1986		July 1985	Percent Change	Cumulative 1986	Cumulative 1985	Percent Change
TRAVEL TRAILERS	4,900	4,600	+ 6.5%	36,800	37,600	− 2.1%
PARK MODELS	500	500	0%	4,400	4,400	0%
FIFTH-WHEELS	1,900	1,600	+ 18.8%	13,900	12,700	+ 9.5%
TRUCK CAMPERS	700	500	+ 40.0%	4,700	4,600	+ 2.2%
MULTI-USE VEHICLES (Van Conversions)	16,000	15,100	+ 6.0%	117,800	103,600	+ 13.7%
TYPE A: MOTOR-HOMES	2,700	2,300	+ 17.4%	19,500	21,300	− 8.5%
TYPE B: VAN CAMPERS	500	900	− 44.4%	3,800	4,800	− 20.8%
TYPE C: MINI MOTOR-HOMES	2,300	1,900	+ 21.1%	17,200	18,900	− 9.0%
FOLDING CAMPING TRAILERS	2,800	2,500	+ 12.0%	22,000	23,100	− 4.8%
TOTALS	32,300	29,900	+ 8.1%	240,100	231,000	+ 3.9%